

Beaufort West

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2014

BEAUFORT WEST LOCAL MUNICIPALITY

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BEAUFORT WEST LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution (Act no 105 of 1996).

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998).

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West
Nelspoort
Merweville
Murraysburg

MUNICIPAL MANAGER

Mr. J. Booysen

CHIEF FINANCIAL OFFICER

Vacant

REGISTERED OFFICE

112 Donkin Street
BEAUFORT WEST
6970

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank, Beaufort West

ATTORNEYS

Crawford Attorneys, Beaufort West
Van Niekerk Attorneys, Beaufort West

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Remuneration of Public Office Bearers Act (Act no 20 of 1998)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

BEAUFORT WEST LOCAL MUNICIPALITY

MEMBERS OF THE BEAUFORT WEST LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	L Deyse
2	A.M. Slabbert
3	G. de Vos
4	S.M. Motsoane
5	M. Furmen
6	G.P. Adolph
7	J. Bostander
Proportional	P.A. Jacobs
Proportional	G.T. Murray
Proportional	T. Prince
Proportional	R. van der Linde
Proportional	D.E. Welgemoed
Proportional	A.D. Willemse

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2014, which are set out on pages 1 to 121 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Mr. J. Booysen
Municipal Manager

31 August 2014

Date

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	2014 R (Actual)	2013 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		346 132 469	341 239 891
Capital Replacement Reserve	2	4 849 606	4 546 564
Housing Development Fund	2	4 198 159	4 170 185
Self Insurance Reserve	2	1 118 685	1 035 337
Accumulated Surplus		335 966 019	331 487 805
Non-Current Liabilities		46 160 825	42 335 458
Long-term Liabilities	3	14 602 574	14 703 394
Employee benefits	4	25 882 098	22 295 025
Non-Current Provisions	5	5 676 153	5 337 039
Current Liabilities		46 033 645	46 344 105
Consumer Deposits	6	1 138 815	1 159 826
Current Employee benefits	7	7 509 143	7 156 341
Payables From Exchange Transactions	8	26 634 801	27 445 114
Unspent Conditional Government Grants and Receipts	9	7 135 563	7 774 144
Unspent Public Contributions	10	139 052	-
Current Portion of Long-term Liabilities	3	3 476 271	2 808 681
Total Net Assets and Liabilities		438 326 939	429 919 454
ASSETS			
Non-Current Assets		388 897 942	381 291 829
Property, Plant and Equipment	12	371 670 337	365 239 811
Investment Property	13	8 647 603	9 380 540
Intangible Assets	14	268 770	334 581
Capitalised Restoration Cost	15	1 664 002	1 744 746
Heritage Assets	16	2 970 644	2 970 644
Long-Term Receivables	17	3 676 587	1 621 507
Current Assets		49 428 997	48 627 625
Inventory	18	2 791 450	3 165 903
Trade Receivables from exchange transactions	19	15 117 729	14 095 015
Other Receivables from non-exchange transactions	20	14 970 281	8 879 561
Unpaid Conditional Government Grants and Receipts	9	670 378	912 408
Operating Lease Asset	21.2	10 008	11 821
Taxes	11	3 932 014	3 465 238
Cash and Cash Equivalents	22	11 937 136	18 097 679
Total Assets		438 326 939	429 919 454

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 (Actual) R	2013 (Restated) R	Correction of error R	2013 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		163 499 160	154 415 233	(1 504 501)	155 919 734
Taxation Revenue		22 792 230	21 645 527	-	21 645 527
Property taxes	23	22 792 230	21 645 527	-	21 645 527
Transfer Revenue		99 629 979	117 172 341	(403 936)	117 576 277
Government Grants and Subsidies - Capital	24	21 348 285	51 170 022	-	51 170 022
Government Grants and Subsidies - Operating	24	77 918 756	65 941 227	(403 936)	66 345 163
Contributed PPE		362 938	61 092	-	61 092
Other Revenue		41 076 951	15 597 365	(1 100 565)	16 697 930
Actuarial Gains		203 285	3 194 043	-	3 194 043
Fines		40 873 666	12 403 322	(1 100 565)	13 503 887
Revenue from Exchange Transactions		95 627 358	87 342 047	513 591	86 828 456
Property Rates - penalties imposed and collection charges		399 873	607 297	-	607 297
Service Charges	25	85 099 374	78 302 416	-	78 302 416
Rental of Facilities and Equipment		814 984	749 715	(822)	750 537
Interest Earned - external investments		1 011 727	979 042	65	978 977
Interest Earned - outstanding debtors		1 858 351	1 391 595	-	1 391 595
Licences and Permits		545 598	657 424	147 059	510 365
Agency Services		541 057	471 592	-	471 592
Other Income	26	5 356 394	4 182 966	367 289	3 815 677
Total Revenue		259 126 518	241 757 280	(990 910)	242 748 190
EXPENDITURE					
Employee related costs	27	67 913 859	62 334 838	1 726 068	60 608 770
Remuneration of Councillors	28	3 893 736	3 935 770	(166 810)	4 102 580
Debt Impairment	29	27 217 301	8 000 132	-	8 000 132
Collection Cost		652 890	677 580	-	677 580
Depreciation and Amortisation	30	14 030 083	13 316 586	31 264	13 285 322
Impairments	31	10 994 382	11 216	11 216	-
Repairs and Maintenance	32	17 408 268	11 271 299	29 733	11 241 566
Actuarial losses	4	1 882 459	3 106	-	3 106
Finance Charges	33	4 086 726	4 132 089	(65 355)	4 197 444
Bulk Purchases	34	39 066 285	36 515 007	(6 646 662)	43 161 669
Contracted services	35	11 539 821	10 085 746	2 390 082	7 695 664
Grants and Subsidies Paid	36	60 000	39 859	-	39 859
Stock Adjustments	34	7 323 581	6 646 662	6 646 662	-
Other Operating Grant Expenditure		-	-	(29 358 204)	29 358 204
Loss on disposal of PPE		167 999	85 728	-	85 728
General Expenses	37	47 996 575	40 711 023	25 379 132	15 331 891
Total Expenditure		254 233 965	197 766 641	(22 874)	197 789 515
NET SURPLUS FOR THE YEAR		4 892 553	43 990 639	(968 036)	44 958 675

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Self Insurance Reserve	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 1 July 2012	765 283	4 138 843	1 885 759	288 044 335	294 834 222
Correction of error - See Note 38.04	-	-	-	2 414 988	2 414 988
Restated Balance at 1 July 2012	765 283	4 138 843	1 885 759	290 459 323	297 249 210
Net Surplus/(Deficit) for the year	-	-	-	44 958 675	44 958 675
Correction of error - See Note 38.01	-	-	-	(968 036)	(968 036)
Contribution to Insurance Reserve	464 705	-	-	(464 705)	-
Insurance claims processed	(194 651)	-	-	194 651	-
Transfer to CRR	-	-	3 245 801	(3 245 801)	-
Property, Plant and Equipment purchased	-	-	(584 996)	584 996	-
Transfer to Housing Development Fund	-	31 342	-	(31 342)	-
Rounding	-	-	-	43	43
Restated Balance at 1 July 2013	1 035 337	4 170 185	4 546 564	331 487 805	341 239 893
Net Surplus/(Deficit) for the year	-	-	-	4 892 553	4 892 553
Transfer to CRR	-	-	4 718 623	(4 718 623)	-
Property, Plant and Equipment purchased	-	-	(4 415 581)	4 415 581	-
Contribution to Insurance Reserve	273 445	-	-	(273 445)	-
Insurance claims processed	(190 097)	-	-	190 097	-
Transfer to Housing Development Fund	-	27 974	-	(27 974)	-
Rounding	-	-	-	25	25
Balance at 30 June 2014	1 118 685	4 198 159	4 849 606	335 966 019	346 132 471

BEAUFORT WEST LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		119 381 830	156 746 270
Government		103 330 957	89 245 983
Interest		2 870 078	2 370 637
Payments			
Suppliers and employees		(195 820 048)	(180 895 592)
Finance charges	33	(4 086 726)	(4 132 089)
Transfers and Grants		(60 000)	(39 859)
Net Cash from Operating Activities		25 616 091	63 295 350
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(30 263 543)	(54 135 308)
Proceeds on Disposal of Fixed Assets		-	113 740
Purchase of Intangible Assets		(24 809)	(7 359)
(Increase)/Decrease in Long-term Receivables		(2 055 080)	(288 384)
Net Cash from Investing Activities		(32 343 433)	(54 317 311)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		4 092 471	2 357 891
New loans (repaid)		(3 525 696)	(3 781 193)
Rounding		24	26
Net Cash from Financing Activities		566 799	(1 423 276)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6 160 543)	7 554 763
Cash and Cash Equivalents at the beginning of the year		18 097 679	10 542 916
Cash and Cash Equivalents at the end of the year	40	11 937 136	18 097 679
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6 160 543)	7 554 763

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	12 070	12 330	(260)	
Call investment deposits	9 332 328	4 642 893	4 689 435	Additional grants received and CRR contributions
Primary bank account	2 592 738	-	2 592 738	Additional grants received and CRR contributions
Consumer debtors	15 117 729	26 524 492	(11 406 763)	Rates budgeted under consumer debtors but included under actual other receivables
Other Receivables	19 582 681	3 477 863	16 104 798	Rates budgeted under consumer debtors but included under actual other receivables
Inventory	2 791 450	3 209 850	(418 400)	Decrease in stock
Total current assets	49 428 997	37 867 448	11 561 549	
Non current assets				
Long-term receivables	3 676 587	1 621 507	2 055 080	Increase in debtor arrangements
Investment property	9 647 603	9 690 000	(1 042 397)	
Property, plant and equipment	376 304 982	385 713 000	(9 408 018)	Unspent grants
Intangible Assets	268 770	335 000	(66 230)	
Total non current assets	388 887 942	397 359 507	(8 461 565)	
TOTAL ASSETS	438 326 939	435 226 955	3 099 984	
LIABILITIES				
Current liabilities				
Borrowing	3 476 271	3 268 073	218 198	Finance Lease vehicles
Consumer deposits	1 138 815	1 200 000	(61 185)	
Trade and other payables	33 909 416	19 851 000	14 058 416	Cash flow problems and increase in payables
Provisions and Employee Benefits	7 509 143	9 783 084	(2 273 941)	Calculation error on the budget
Total current liabilities	46 033 645	34 092 157	11 941 488	
Non current liabilities				
Borrowing	14 602 574	12 828 058	1 776 516	Finance Lease vehicles
Provisions and Employee Benefits	31 558 251	33 142 412	(1 584 161)	Provision for landfill sites calculation changed
Total non current liabilities	46 160 825	45 968 470	192 355	
TOTAL LIABILITIES	92 194 471	80 060 627	12 133 844	
NET ASSETS	346 132 469	355 166 328	(9 033 859)	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	335 966 019	347 142 508	(11 176 489)	Net of all reasons
Reserves	10 166 450	8 023 787	2 142 663	Additional contribution to CRR
TOTAL COMMUNITY WEALTH/EQUITY	346 132 469	355 166 295	(9 033 826)	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014
ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	13 170	(840)	12 330	
Call investment deposits	6 754 000	(2 111 107)	4 642 893	Additional spending on CRR
Consumer debtors	18 771 062	7 753 430	26 524 492	Decrease in payment percentage
Other Receivables	4 000 000	(522 117)	3 477 883	
Inventory	3 209 850	-	3 209 850	
Total current assets	32 748 082	5 119 366	37 867 448	
Non current assets				
Long-term receivables	1 233 123	388 384	1 621 507	Increase in arrangements with debtors
Investment property	9 368 931	321 069	9 690 000	
Property, plant and equipment	388 581 142	(2 868 142)	385 713 000	
Intangible Assets	252 267	82 733	335 000	
Total non current assets	399 435 463	(2 075 956)	397 359 507	
TOTAL ASSETS	432 183 545	3 043 410	435 226 955	
LIABILITIES				
Current liabilities				
Borrowing	3 900 000	(641 927)	3 258 073	Finance Lease vehicles returned
Consumer deposits	1 200 000	-	1 200 000	
Trade and other payables	21 408 480	(1 557 490)	19 851 000	
Provisions and Employee Benefits	4 736 509	5 046 575	9 783 084	Post employee benefits and landfill sites
Total current liabilities	31 244 989	2 847 158	34 092 157	
Non current liabilities				
Borrowing	11 140 937	1 685 121	12 826 058	New finance lease vehicles
Provisions and Employee Benefits	33 142 412	-	33 142 412	
Total non current liabilities	44 283 349	1 685 121	45 968 470	
TOTAL LIABILITIES	75 528 348	4 532 279	80 060 627	
NET ASSETS	356 655 197	(1 488 869)	355 166 328	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	349 427 097	(2 284 589)	347 142 508	Net of all reasons
Reserves	7 228 100	796 687	8 023 787	Additional contribution to CRR
TOTAL COMMUNITY WEALTH/EQUITY	356 655 197	(1 488 902)	355 166 295	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Property rates	22 792 230	22 815 000	(22 770)	
Property rates - penalties & collection charges	389 873	620 000	(220 127)	Budget was based on actual for 2012/13 of +-R607 000
Service charges	85 096 374	86 836 079	(* 736 705)	
Rental of facilities and equipment	814 984	1 009 014	(194 030)	Less income received during the year.
Interest earned - external investments	1 011 727	1 060 000	(48 273)	
Interest earned - outstanding debtors	1 856 351	1 500 000	356 351	Increase in outstanding debtors
Fines	40 873 666	14 042 000	26 831 666	Fines actual recorded according to IGRAP 1.
Licences and permits	545 598	637 800	(92 202)	
Agency services	541 057	510 000	31 057	
Government Grants and Subsidies - Operating	77 918 756	77 571 040	347 716	Additional grant received
Other revenue	5 922 617	3 083 977	2 838 640	Additional grant received (VAT)
Gains on disposal of PPE	-	1 000	(1 000)	
Total Operating Revenue	237 778 233	209 685 910	28 092 323	
EXPENDITURE BY TYPE				
Employee related costs	67 913 859	67 216 728	697 131	Operating grant expenditure
Remuneration of councillors	3 893 736	4 169 560	(275 824)	Deputy Mayor not appointed
Debt impairment	27 217 301	2 600 000	24 617 301	Fines provision contribution according to IGRAP 1.
Depreciation & asset impairment	14 030 083	14 215 616	(185 533)	
Finance charges	4 086 726	1 662 194	2 424 532	Post Retirement Benefits and Landfill sites
Bulk purchases	46 389 866	49 950 000	(3 560 134)	Less consumptions
Other materials	17 408 268	19 238 955	(1 831 687)	Less repairs due to cash flow
Contracted services	11 539 821	7 048 418	4 491 403	Security services, Operating grant expenditure
Grants and subsidies paid	60 000	-	60 000	Budgeted under other expenditure
Impairments	10 994 382	-	10 994 382	Asset impairments on land and buildings and investment properties
Other expenditure	50 531 924	57 775 755	(7 243 831)	Less expenditure due to cash flow
Loss on disposal of PPE	167 999	-	167 999	
Total Operating Expenditure	254 233 965	223 878 226	30 355 739	
Operating Deficit for the year	(16 455 732)	(14 192 316)	(2 263 416)	
Government Grants and Subsidies - Capital	21 348 285	29 585 672	(8 217 387)	Underspending with Unspent Conditional Grants at yearend
Net Surplus for the year	4 892 553	15 373 356	(10 480 803)	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Property rates	23 732 030	(917 030)	22 815 000	Revenue from new valuation roll estimates not realised
Property rates - penalties & collection charges	620 000	-	620 000	
Service charges	86 958 664	(122 585)	86 836 079	
Rental of facilities and equipment	959 849	49 165	1 009 014	
Interest earned - external investments	1 060 000	-	1 060 000	
Interest earned - outstanding debtors	1 415 000	85 000	1 500 000	
Fines	12 495 060	1 546 940	14 042 000	6 months actual supported increase in budget
Licences and permits	637 900	(100)	637 800	
Agency services	480 000	50 000	510 000	6 months actual supported increase in budget
Government Grants and Subsidies - Operating	68 035 000	9 536 040	77 571 040	Additional grants received
Other revenue	1 225 041	1 854 936	3 083 977	6 months actual supported increase in budget and additional grants received (VAT)
Gains on disposal of PPE	1 000	-	1 000	
Total Operating Revenue	197 603 544	12 082 366	209 685 910	
EXPENDITURE BY TYPE				
Employee related costs	67 177 066	39 662	67 216 728	
Remuneration of councillors	4 169 560	-	4 169 560	
Debt impairment	2 600 000	-	2 600 000	
Depreciation & asset impairment	14 215 616	-	14 215 616	
Finance charges	1 577 184	85 010	1 662 194	
Bulk purchases	49 950 000	-	49 950 000	
Other materials	15 667 579	3 572 376	19 239 955	Additional grant received
Contracted services	7 161 846	(113 428)	7 048 418	
Other expenditure	47 407 273	10 368 482	57 775 755	Additional grant received
Total Operating Expenditure	209 926 124	13 952 102	223 878 226	
Operating Deficit for the year	(12 322 580)	(1 869 736)	(14 192 316)	
Government Grants and Subsidies - Capital	24 012 000	5 553 672	29 565 672	Additional grant received
Net Surplus for the year	11 689 420	3 683 936	15 373 356	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2014 R (Actual)	2014 R (Final Budget)	2014 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	119 381 830	124 903 954	(5 522 124)	Fines actual recorded according to GRAP 1
Government - operating	81 982 872	72 125 994	9 856 878	Additional grants received net of operating and capital
Government - capital	21 348 285	28 600 350	(7 252 065)	Additional grants received net of operating and capital
Interest	2 870 078	1 060 000	1 810 078	Interest on outstanding debtors
Payments				
Suppliers and Employees	(195 820 048)	(204 670 416)	8 850 368	Vacant posts not filled and increase in creditors due to cash flow
Finance charges	(4 086 726)	(1 662 194)	(2 424 532)	Post retirement benefits and landfill sites
Transfers and Grants	(60 000)	-	(60 000)	Budgeted under other expenditure
NET CASH FROM/(USED) OPERATING ACTIVITIES	25 616 081	20 357 688	5 258 403	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease/(increase) in non-current receivables	(2 055 080)	701 061	(2 756 141)	Increase in debtor arrangements
Payments				
Capital assets	(30 288 352)	(30 319 410)	31 058	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(32 343 433)	(29 618 349)	(2 725 084)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing	4 092 471	-	4 092 471	Finance lease vehicles
Increase/(decrease) in consumer deposits	-	47 370	(47 370)	
Payments				
Repayment of borrowing	(3 525 896)	(4 229 165)	703 469	More finance lease vehicles returned
NET CASH FROM/(USED) FINANCING ACTIVITIES	566 775	(4 181 795)	4 748 570	
NET INCREASE/(DECREASE) IN CASH HELD	(6 160 567)	(13 442 456)	7 281 889	Net of all reasons
Cash and Cash Equivalents at the beginning of the year	18 097 679	18 097 679	-	
Cash and Cash Equivalents at the end of the year	11 937 136	4 655 223	7 281 913	

BEAUFORT WEST LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014
ADJUSTMENTS TO APPROVED BUDGET

	2014 R (Approved Budget)	2014 R (Adjustments)	2014 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	125 474 210	(570 256)	124 903 954	
Government - operating	67 660 000	4 465 994	72 125 994	Additional grants received
Government - capital	24 012 000	4 588 350	28 600 350	Additional grants received
Interest	1 060 000	-	1 060 000	
Payments				
Suppliers and Employees	(190 882 034)	(13 778 382)	(204 670 416)	Cash flow problems and increase in payables
Finance charges	(1 577 184)	(85 010)	(1 662 194)	
Transfers and Grants	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	25 736 992	(5 379 304)	20 357 688	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease/(increase) in non-current receivables	701 061	-	701 061	
Payments				
Capital assets	(25 021 860)	(5 297 550)	(30 319 410)	Additional grants received
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24 320 799)	(5 297 550)	(29 618 349)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Increase/(decrease) in consumer deposits	47 370	-	47 370	
Payments				
Repayment of borrowing	(4 229 165)	-	(4 229 165)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 181 795)	-	(4 181 795)	
NET INCREASE/(DECREASE) IN CASH HELD	(2 765 602)	(10 676 854)	(13 442 456)	Net of all reasons
Cash and Cash Equivalents at the beginning of the year	9 532 772	8 564 907	18 097 679	
Cash and Cash Equivalents at the end of the year	6 767 170	(2 111 947)	4 655 223	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act no 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet:

Standard	Description	Effective Date
GRAP 5 (Revised Feb 2013)	Borrowing Costs	1 April 2014
GRAP 100 (Revised – Feb 2013)	Discontinued Operations (formerly known as Non-current assets held for Sale and Discontinued Operations)	1 April 2014

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible Assets where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.3. GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include errors.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as a separate additional financial statement, namely Statement of Comparison of Budget and Actual Amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts, i.e. 1 July 2013 to 30 June 2014. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Explanations for material differences between the final budget amounts and actual amounts are included the Notes to the Financial Statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 6 (Revised – Nov 2010)	Consolidated and Separate Financial Statements The objective of this Standard is to prescribe the circumstances in which consolidated and separate financial statements are to be prepared and the information to be included in those financial statements so that the consolidated financial statements reflect the financial performance, financial position and cash flows of an economic entity as a single entity. No significant impact is expected as the Municipality does not have any entities at this stage to be consolidated.	Unknown
GRAP 8 (Revised – Nov 2010)	Interest in Joint Ventures The objective of this Standard is to prescribe the accounting treatment of jointly controlled operations, jointly controlled assets and jointly controlled entities and to provide alternatives for the recognition of interests in jointly controlled entities. No significant impact is expected as the Municipality is not involved in any joint ventures.	Unknown
GRAP 18 (Original – Feb 2011)	Segment Reporting The objective of this Standard is to establish principles for reporting financial information by segments. No significant impact is expected as information to a large extent is already included in the appendices to the financial statements which do not form part of the audited financial statements.	1 April 2015
GRAP 20 (Original – June 2011)	Related Party Disclosure The objective of this Standard is to ensure that a Municipality's financial statements contains the	Unknown

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	<p>disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.</p> <p>The Municipality resolved to adopt the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.</p>	
<p>GRAP 32 (Original – Aug 2013)</p>	<p>Service Concession Arrangements: Grantor</p> <p>The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public sector entity.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
<p>IGRAP 17</p>	<p>Service Concession Arrangements where a grantor controls a significant residual interest in an Asset</p> <p>The objective of this Interpretation of the Standard is to provide guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.</p> <p>No significant impact is expected as the Municipality does not have any Concession Arrangements at this stage.</p>	Unknown
<p>GRAP 105 (Original – Nov 2010)</p>	<p>Transfer of Functions Between Entities Under Common Control</p> <p>The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	1 April 2015
<p>GRAP 106 (Original – Nov 2010)</p>	<p>Transfer of Functions Between Entities Not Under Common Control</p> <p>The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.</p>	1 April 2015

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	No significant impact expected as no such transactions or events are expected in the foreseeable future.	
GRAP 107 (Original – Nov 2010)	<p>Mergers</p> <p>The objective of this Standard is to establish accounting principles for the combined entity and combining entities in a merger.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	1 April 2015
GRAP 108 (Original – Sept 2013)	<p>Statutory Receivables</p> <p>The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
IGRAP 11	<p>Consolidation - Special Purpose Entities (SPE)</p> <p>The objective of this Interpretation of the Standard is to prescribe under what circumstances an entity should consolidate a SPE.</p> <p>No significant impact is expected as the Municipality does not have any SPE's at this stage.</p>	Unknown
IGRAP 12	<p>Jointly Controlled Entities non-monetary contributions</p> <p>The objective of this Interpretation of the Standard is to prescribe the treatment of profit/loss when an asset is sold or contributed by the venturer to a Jointly Controlled Entity (JCE).</p> <p>No significant impact is expected as the Municipality does not have any JCE's at this stage.</p>	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.9. RESERVES

1.9.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ to the CRR. The cash in the CRR can only be utilized to finance items of property, plant

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

and equipment. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilized.

1.9.2 Housing Development Fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.9.3 Self Insurance Reserve

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the Statement of Financial Performance.
- Repair and replacement costs not fully covered by external insurance are financed from the insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of Financial Performance. An amount equal to the expense is transferred from the Insurance Reserve to the Accumulated Surplus via the Statement of Changes in Net Assets.
- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Accumulated Surplus account via the Statement of Changes in Net Assets.

1.10. LEASES

1.10.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2 Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease revenue is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality recognises the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs.

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This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met, an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as an individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.12. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

1.13. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met, an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as an individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

1.14. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is de-recognised.

1.15. EMPLOYEE BENEFITS

Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

1.15.1 Post Retirement Medical Obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

of the defined benefit liability is actuarially determined in accordance with GRAP 25 – “Employee Benefits” (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.2 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.15.3 Provision for Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the basic salary of the employee.

Accumulating leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave, limited to 48 days, will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

1.15.4 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrues to employees. The liability at year end is based on bonus accrued at year-end for each employee.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.15.5 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.15.6 Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are recognised in the Statement of Financial Performance in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.16.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.16.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	5-130	Buildings	30-105
Pedestrian Malls	10-30	Specialist vehicles	3-70
Electricity	6-130	Other vehicles	3-70
Water	10-130	Office equipment	3-25
Sewerage	10-130	Furniture and fittings	2-30
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Buildings	10-105	Equipment	3-40
Recreational Facilities	15-105	Other plant and	
Security	30	Equipment	3-40
Halls	30-105	Landfill sites	10-100
Libraries	20-105	Quarries	5-25
Parks and gardens	20-105	Emergency equipment	3-30
Other assets	10-105	Computer equipment	3-20
<u>Finance lease assets</u>			
Office equipment	3-7		
Other assets	3-7		

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.16.4 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17. INTANGIBLE ASSETS

1.17.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or
- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

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Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.17.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairments losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.17.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over its estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	3 - 10

1.17.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18. INVESTMENT PROPERTY

1.18.1 Initial Recognition

Investment property is recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

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At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.18.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.18.3 Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	30

1.18.4 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.19 HERITAGE ASSETS

1.19.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

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A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.19.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.19.3 Depreciation and Impairment

Heritage assets are not depreciated.

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.19.4 De-recognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.20. NON-CURRENT ASSETS HELD FOR SALE

1.20.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.20.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in the Statement of Financial Performance.

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1.21. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.21.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
 - During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
 - Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.
 - Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- (b) Internal sources of information
 - Evidence is available of obsolescence or physical damage of an asset.
 - Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
 - Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

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Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.21.2 Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset.
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset.
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.
- A decision to halt the construction of the asset before it is complete or in a usable condition.
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its

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recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *Depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *Restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *Service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

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1.22. INVENTORIES

1.22.1 Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.22.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.23. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions) and non-current investments. The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

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1.23.1 Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.23.2 Subsequent Measurement

Financial assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.23.2.1 Receivables

Receivables are classified as financial assets at amortised cost, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate,

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the discount rate for measuring any impairment loss is the current effective interest rate.

1.23.2.2 Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, and are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.23.2.3 Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities carried at amortised cost.

1.23.2.4 Non-Current Investments

Investments which include investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.23.3 **De-recognition of Financial Instruments**

1.23.3.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.23.3.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.23.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.24. REVENUE

1.24.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

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Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of iGRAP 1, as there is no intention of collecting this revenue.

Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes.

The Municipality estimates the water and electricity consumption from the last meter readings in June up until 30 June. The estimated consumption usage is based on system average of the year per month divided by 30 days times the amount of days since last reading until 30 June.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue is measured at the fair value of the consideration received or receivable.

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When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.24.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 2 to 3 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is regarded as not material and is not disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs

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are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the Municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the Municipality and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Municipality.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating;
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.25. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person’s family is related to the Municipality if that person:
 - has control or joint control over the Municipality.
 - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
 - both entities are joint ventures of the same third party.
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
 - the entity is controlled or jointly controlled by a person identified in (a).
 - a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.26. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Remuneration of Public Office Bearers Act (Act No. 20 of 1998), or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.30.1 *Post retirement medical obligations and Long service awards*

The cost of post retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 4 of the financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2 *Impairment of Receivables*

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.30.3 Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

1.30.4 Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Management referred to the following when making assumptions regarding useful lives of intangible assets:

- Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

1.30.5 Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

1.30.6 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

1.30.7 Revenue Recognition

Accounting Policy 1.24.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.24.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Fine revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes. The Municipality estimates the water and electricity consumption from the last meter readings in June up until 30 June. The estimated consumption usage is based on system average of the year per month divided by 30 days multiplied by the amount of days since the last reading until 30 June. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.30.8 Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are recognised in the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.30.9 Provision for TASK Implementation

The provision at 30 June for TASK Implementation represents the Municipality's obligation towards qualifying officials as a result of a new national grading system for municipalities which came into effect on 1 October 2009. The calculation was based on the difference between the current basic salary compared to the basic salary as per new TASK grading. The difference between these two packages was backdated to the implementation date of the TASK grading system.

1.30.10 Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made on basic salary for the accrued leave, limited to 48 days, at reporting date. This provision will be realised as employees take leave or when employment is terminated.

1.30.11 Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.30.12 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.30.13 Pre-paid electricity estimation

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 2 to 3 days after date of purchase. The pre-paid electricity sold, but not yet consumed at year-end, is regarded as immaterial and is not disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

1.31. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of Value Added Tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.32. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.33. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.34. BORROWING COSTS

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

1.35. TAXATION

1.35.1 *Current tax assets and liabilities*

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

1.35.2 *Deferred tax assets and liabilities*

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1.35.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus/deficit for the period.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2 NET ASSET RESERVES

RESERVES

Capital Replacement Reserve
Housing Development Fund
Self Insurance Reserve

Total Net Asset Reserve and Liabilities

2014 R	2013 R
10 166 450	9 752 086
4 849 606	4 546 564
4 198 159	4 170 185
1 118 685	1 035 337
10 166 450	9 752 086

The above balances are represented by cash of R218 612 for the current year and R197 487 (2013) and is invested together with the other investments of the municipality (See Note 22)

3 LONG TERM LIABILITIES

Annuity Loans - At amortised cost
Capitalised Lease Liability - At amortised cost

Less: Current Portion transferred to Current Liabilities

Annuity Loans - At amortised cost
Capitalised Lease Liability - At amortised cost

Total Long-term Liabilities - At amortised cost using the effective interest rate method

2014 R	2013 R
13 544 430	15 417 378
4 534 416	2 094 697
18 078 846	17 512 075
3 476 271	2 808 681
14 602 574	14 703 394

Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 July 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

Finance Lease loans at amortised cost is calculated at 8.50%-20.50% interest rate, with last maturity date of 30 May 2017. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

Payable within one year
Payable within two to five years
Payable after five years

Less: Future finance obligations

Present value of annuity obligations

2014 R	2013 R
Minimum annuity payments	
2 870 994	3 408 253
8 963 878	10 048 582
11 173 707	12 951 283
23 008 579	26 408 117
(9 464 179)	(10 990 755)
13 544 400	15 417 362

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year
Payable within two to five years
Payable after five years

Less: Future finance obligations

Present value of lease obligations

2014 R	2013 R
Minimum lease payments	
2 269 318	1 069 932
2 729 375	1 254 478
-	-
4 998 693	2 324 410
(464 279)	(229 718)
4 534 414	2 094 692

Leases are secured by property, plant and equipment - Note 12

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3 LONG TERM LIABILITIES (CONTINUED)

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Eqstra	Cz 4548 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
Eqstra	Cz 4557 Toyota Corolla 1.3 Impact	11.98%	0%	3 Years	2013/09/30
Eqstra	Cz 4560 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4561 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4554 Toyota Corolla 1.3 Impact	12.01%	0%	3 Years	2013/09/30
Eqstra	Cz 4741 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4584 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4567 Toyota Hilux 2.5 D-4d P/u S/c	12.09%	0%	3 Years	2013/09/30
Eqstra	Cz 4577 Toyota Hilux 2.5 D-4d P/u S/c	12.04%	0%	3 Years	2013/09/30
Eqstra	Cz 4566 Toyota Hilux 2.5 D-4d P/u S/c	12.04%	0%	3 Years	2013/09/30
Eqstra	Cz 4754 Toyota Hilux 2.5 D-4d P/u S/c	11.99%	0%	3 Years	2013/09/30
Eqstra	Cz 4746 Toyota Hilux 2.5 D-4d P/u S/c	11.99%	0%	3 Years	2013/09/30
Eqstra	Cz 4336 Toyota Hilux 2.5 D-4d P/u S/c	12.13%	0%	3 Years	2013/10/31
Eqstra	Cz 4738 Toyota Hilux 2.5 D-4d P/u S/c	12.06%	0%	3 Years	2013/11/30
Eqstra	Cz 4730 Toyota Hilux 2.5 D-4d P/u S/c	12.06%	0%	3 Years	2013/11/30
Eqstra	Cz 6725 Ldv Toyota	9.00%	0%	3 Years	2014/10/13
Nashua	mp4001	9.00%	0%	3 Years	2014/09/30
Nashua	mpc5501	9.00%	0%	3 Years	2014/08/31
Eqstra	Cz 8282 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8340 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8341 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8343 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/02/28
Eqstra	Cz 8408 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8410 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8414 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8415 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8418 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8419 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8421 Toyota Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Eqstra	Cz 8422 Toyota Yaris Zen3 Acs	8.50%	0%	3 Years	2016/04/30
Panasonic	Machine Photocopy Kyocera Fs1128	9.00%	0%	5 Years	2016/08/30
Panasonic	Machine Photocopy Kyocera Fs 6025	9.00%	0%	5 Years	2016/07/30
Panasonic	Pabx Telephone System	9.00%	15%	5 Years	2016/03/30
Panasonic	Cctv Camera's	20.50%	0%	3 Years	2015/09/30
Panasonic	Cctv Camera's	9.00%	15%	3 Years	2014/07/30
Eqstra	Cz 2078 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 2477 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 4155 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8684 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8685 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8686 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8687 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 5753 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 5136 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 6192 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/09/30
Eqstra	Cz 8563 Isuzu Kb250d Fletside A/c P/u S/c	8.50%	0%	3 Years	2016/06/30
Eqstra	Cz 1096 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Eqstra	Cz 5366 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 4898 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 4296 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 2295 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 1461 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 8728 Sedan Toyota Etio's	8.50%	0%	3 Years	2016/10/30
Eqstra	Cz 6743 Isuzu Kb250d Leed Fleetside P/u S	8.50%	0%	3 Years	2016/11/30
Wesbak	Cz 3697 Truck Nissan Ud 90b F/c C/c	8.50%	0%	3 Years	2017/01/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Ricoh	machine Photocopy Ricoh Mp2501spf	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Minolta	machine Photocopy Konica Minolta	8.50%	0%	3 Years	2017/03/30
Eqstra	Cz 9005 Isuzu Kb250d Leed Fleetside P/u S	9.00%	0%	3 Years	2017/05/30

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

			2014 R	2013 R
4	EMPLOYEE BENEFITS	Notes		
	Post Retirement Benefits	4.1	22 683 885	19 242 724
	Long Service Awards	4.2	3 167 820	3 023 067
	Pension Murraysburg		30 393	29 234
	Total Non-current Employee Benefit Liabilities		25 882 098	22 295 025
	<u>Post Retirement Benefits</u>			
	Balance 1 July		19 978 516	21 524 707
	Contribution for the year		(803 089)	(826 186)
	Expenditure for the year		2 483 291	2 474 038
	Actuarial Loss/(Gain)		1 882 459	(3 194 043)
	Total post retirement benefits 30 June		23 541 177	19 978 516
	Less: Transfer of Current Portion	7	(857 292)	(735 792)
	Balance 30 June		22 683 885	19 242 724
	<u>Long Service Awards</u>			
	Balance 1 July		3 478 317	3 246 547
	Contribution for the year		(209 774)	(331 808)
	Expenditure for the year		503 723	560 472
	Actuarial Loss/(Gain)		(203 285)	3 106
	Total long service 30 June		3 568 981	3 478 317
	Less: Transfer of Current Portion	7	(401 161)	(455 250)
	Balance 30 June		3 167 820	3 023 067
	<u>Pension Murraysburg</u>			
	Balance 1 July		29 234	27 924
	Expenditure for the year		1 159	1 310
	Balance 30 June		30 393	29 234
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>			
	Balance 1 July		23 486 067	24 799 178
	Contribution for the year		(1 012 863)	(1 157 994)
	Expenditure for the year		2 988 173	3 035 820
	Actuarial Loss/(Gain)		1 679 174	(3 190 937)
	Total employee benefits 30 June		27 140 551	23 486 067
	Less: Transfer of Current Portion	7	(1 258 453)	(1 191 042)
	Balance 30 June		25 882 098	22 295 025
4.1	Post Retirement Benefits			
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:			
	In-service (employee) members		57	64
	In-service (employee) non-members		301	268
	Continuation members (e.g. Retirees, widows, orphans)		26	23
	Total Members		384	355
			2014 R	2013 R
	The liability in respect of past service has been estimated to be as follows:			
	In-service (employees) members		8 824 030	7 815 266
	In-service (employees) non-members		2 666 600	1 997 976
	Continuation (retirees and widows) members		12 050 547	10 165 274
	Total Liability		23 541 177	19 978 516

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
In-service members	8 183 241	7 277 383	4 234 313
Continuation members	2 080 071	10 306 593	8 826 987
Continuation (retirees and widows) members	11 261 395	-	-
Total Liability	21 524 707	17 583 976	13 061 300

Experience adjustments were calculated as follows:

	2014 Rm	2013 Rm
Liabilities: (Gain) / loss	1.004	(3.061)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	1.678	1.785	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health;
Samwumedi; and
Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2014 is estimated at R23 541 177. The Current-service Cost for the year ending 30 June 2014 is estimated at R783 017. It is estimated to be R793 176 for the ensuing year.

Key actuarial assumptions used:

i) Rate of interest

	2014 %	2013 %
Discount rate	8.93%	8.67%
Health Care Cost Inflation Rate	8.13%	7.60%
Net Effective Discount Rate	0.74%	1.00%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping".

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

The amounts recognised in the Statement of Financial Position are as follows:

	2014 R	2013 R
Present value of fund obligations	23 541 177	19 978 516
Total Liability	23 541 177	19 978 516

The fund is wholly unfunded.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

Reconciliation of present value of fund obligation:

	2014 R	2013 R
Present value of fund obligation at the beginning of the year	19 978 516	21 524 707
Total expenses	1 680 202	1 647 852
Current service cost	783 017	815 290
Interest Cost	1 700 274	1 658 748
Benefits Paid	(803 089)	(826 186)
Actuarial (gains)/losses	1 882 459	(3 194 043)
Present value of fund obligation at the end of the year	23 541 177	19 978 516
<u>Less:</u> Transfer of Current Portion - Note 7	(857 292)	(735 792)
Balance 30 June	22 683 885	19 242 724

Sensitivity Analysis on the Accrued Liability

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central Assumptions		11.491	12.051	23.541	
Health care inflation	1%	13.879	13.405	27.284	16%
Health care inflation	-1%	9.602	10.893	20.495	-13%
Discount Rate	1%	9.629	10.910	20.539	-13%
Discount Rate	-1%	13.885	13.408	27.293	16%
Post-retirement mortality	-1 year	11.900	12.539	24.439	4%
Average retirement age	-1 year	12.290	12.051	24.341	3%
Withdrawal Rate	-50%	7.989	12.051	20.039	-15%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		783 000	1 700 300	2 483 300	
Health care inflation	1%	974 600	1 979 100	2 953 700	19%
Health care inflation	-1%	634 900	1 473 600	2 108 500	-15%
Post-retirement mortality	-1 year	809 200	1 764 300	2 573 500	4%
Average retirement age	-1 year	841 800	1 765 600	2 607 400	5%
Withdrawal Rate	-50%	913 700	1 783 300	2 697 000	9%

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 358 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2014 is estimated at R3 568 981. The Current-service Cost for the year ending 30 June 2014 is estimated at R264 427. It is estimated to be R283 215 for the ensuing year.

Key actuarial assumptions used:

i) Rate of interest

	2014 %	2013 %
Discount rate	7.97%	7.35%
General Salary Inflation (long-term)	7.13%	6.80%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.79%	0.51%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4 EMPLOYEE BENEFITS (CONTINUED)

The amounts recognised in the Statement of Financial Position are as follows:

	2014 R	2013 R
Present value of fund obligations	3 568 981	3 478 317
Net liability/(asset)	3 568 981	3 478 317

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
Present value of fund obligations	3 246 547	2 902 880	1 740 386
Total Liability	3 246 547	2 902 880	1 740 386

Experience adjustments were calculated as follows:

	2014 R	2013 R
Liabilities: (Gain) / loss	(124 179)	(110 128)
Assets: Gain / (loss)	-	-

Experience adjustments were calculated as follows in respect of periods commencing prior to the comparative year:

	2012 Rm	2011 Rm	2010 Rm
Liabilities: (Gain) / loss	(5 747)	496 177	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are no experience adjustment figures available on or before 30 June 2010 to fully comply with GRAP 25.

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	3 478 317	3 246 547
Total expenses	293 949	228 664
Current service cost	264 427	354 221
Interest Cost	239 296	206 251
Benefits Paid	(209 774)	(331 808)
Actuarial (gains)/losses	(203 285)	3 106
Present value of fund obligation at the end of the year	3 568 981	3 478 317
Less: Transfer of Current Portion - Note 7	(401 161)	(455 250)
Balance 30 June	3 167 820	3 023 067

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		3,569	
General salary inflation	1%	3,814	7%
General salary inflation	-1%	3,348	-6%
Discount Rate	1%	3,338	-6%
Discount Rate	-1%	3,830	7%
Average retirement age	-2 yrs	3,093	-13%
Average retirement age	2 yrs	4,184	17%
Withdrawal rates	-50%	4,207	18%

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi-Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4	EMPLOYEE BENEFITS (CONTINUED)	2014 R	2013 R
	CAPE RETIREMENT FUND		
	The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2012 - 99.9%).		
	CAPE JOINT PENSION FUND		
	The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in an sound financial position with a funding level of 99.70% (30 June 2012 - 99.40%). Whilst this has increased since the previous actuarial valuations it is still within the Registrar's normally acceptable range of at least a 95% funding level, provided that the previous statutory valuation reflected at least a 99.4% funding level.		
	SALA PENSION FUND		
	The contribution rate payable is 8.60% by members and 20.78% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2012 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.		
	SAMWU PROVIDENT FUND		
	The contribution rate payable is 7.50% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2012 - 100%). funding level, provided that the previous statutory valuation reflected at least a 100% funding level.		
5	NON-CURRENT PROVISIONS	2014 R	2013 R
	Provision for Rehabilitation of Landfill-sites	5 676 153	5 337 039
	Total Non-current Provisions	5 676 153	5 337 039
	The rehabilitation cost provision is for the rehabilitation of four landfill sites in the Beaufort West region. It is required from the municipality to execute an environmental management program to restore the landfill sites after its useful life. Provision has been made for this cost based on the estimated present value of future cash flows arising from the rehabilitation cost expected as at the estimated decommission dates listed below.		
	Landfill Sites	Notes	
	Balance 1 July		5 337 039 5 018 072
	Balance previously reported		7 064 563
	Correction of Error	38.05	(7 064 563)
	Correction of Error	38.05	5 018 072
	Increase in Estimate		87 835 91 848
	Balance previously reported		-
	Correction of Error	38.05	91 848
	Unwinding of discounted interest		251 280 227 119
	Balance previously reported		292 474
	Correction of Error	38.05	(292 474)
	Correction of Error	38.05	227 119
	Total provision 30 June	5 676 153	5 337 039
	Less: Transfer of Current Portion to Provisions	-	-
	Balance 30 June	5 676 153	5 337 039
	Location	Estimated decommission date	Cost of rehabilitation
			2014 R
	Beaufort West	2021	2 747 620
	Murraysburg	2024	1 168 235
	Neisport	2029	999 883
	Merweville	2021	760 416
			5 676 153
			Cost of rehabilitation
			2013 R
			2 563 060
			1 108 220
			943 373
			722 387
			5 337 039

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5 NON-CURRENT PROVISIONS (CONTINUED)

Material Assumptions used

Area of landfill site consumed	2012	2013	2014
Beaufort West	59.08%	61.17%	63.05%
Murraysburg	65.37%	66.37%	67.32%
Nelspoort	42.84%	44.33%	45.74%
Merweville	58.45%	60.24%	61.88%
		2014	2013
Discount Rate used		4.71%	4.53%

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk free rate as determined by the municipality. This rate is in line with a competitive investment rate the municipality can obtain from an A grade financial institution. This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

6 CONSUMER DEPOSITS

	2014 R	2013 R
Water & Electricity	1 138 815	1 159 826
Total Consumer Deposits	1 138 815	1 159 826

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS

	2014 R	2013 R
Current Portion of Post Retirement Benefits - Note 4	857 292	735 792
Current Portion of Long-Service Provisions - Note 4	401 161	455 250
Performance Bonuses	481 518	519 411
Bonuses	1 753 146	1 536 643
Staff Leave	4 016 026	3 909 245
Total Current Employee Benefits	7 509 143	7 156 341

The movement in current employee benefits are reconciled as follows:

Provision for Performance Bonuses

Balance at beginning of year	519 411	486 961
Contribution to current portion	321 200	444 126
Expenditure incurred	(359 093)	(411 676)
Balance at end of year	481 518	519 411

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Bonuses

Balance at beginning of year	1 536 643	1 726 842
Contribution to current portion	3 850 618	2 770 102
Expenditure incurred	(3 634 115)	(2 960 301)
Balance at end of year	1 753 146	1 536 643

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year-end represents a portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Provision for Staff Leave

Balance at beginning of year	3 909 245	3 250 382
Contribution to current portion	540 012	1 100 689
Expenditure incurred	(433 231)	(441 826)
Balance at end of year	4 016 026	3 909 245

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8 PAYABLES FROM EXCHANGE TRANSACTIONS	2014 R	2013 R
Trade Payables	20 374 174	20 843 901
Deposits: Other	1 153 637	1 043 672
Payments received in advance	399 232	668 313
Receivable accounts with credit balances	2 503 674	2 370 144
Pensionfund SALA	2 204 084	2 519 084
Total Trade Payables	26 634 801	27 445 114

Payables are not being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

All payments are unsecured.

9 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2014 R	2013 R
Unspent Grants	7 135 563	7 774 144
National and Provincial Government Grants	7 135 563	7 774 144
Less: Unpaid Grants	670 378	912 408
National and Provincial Government Grants	670 378	912 408
Total Conditional Grants and Receipts	6 465 185	6 861 736

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. Grants amounting to R482 929 were withheld.

9.01 Equitable share

Grants received	35 567 000	32 765 000
Conditions met - Operating	(35 567 000)	(32 765 000)
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the Municipality by the National Treasury.

9.02 National Grants

Opening balance	(686 641)	7 730 026
Grants received	18 790 000	34 377 674
Interest on investment (Only if condition)	22 551	8 911
Net Transfers	-	(8 636 001)
Conditions met - Own Income	(1 425 174)	(2 338 860)
Conditions met - Operating	(8 810 022)	(12 931 041)
Conditions met - Capital	(3 453 353)	(18 897 351)
Conditions still to be met	4 437 361	(686 642)

National Grants received with conditions to be met.

9.03 Provincial Grants

Opening balance	7 294 949	4 857 015
Grants received	28 164 751	32 330 845
Interest on investment (Only if condition)	223 722	254 182
Conditions met - Own Income	(109 936)	(155 256)
Conditions met - Operating	(32 854 072)	(18 787 558)
Conditions met - Capital	(162 588)	(11 264 440)
Refund to Donor	(482 929)	-
Conditions still to be met	2 073 898	7 234 788

Provincial Grants received with conditions to be met.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2014 R	2013 R
9.04	Municipal Infrastructure Grant		
	Opening balance	-	131 034
	Grants received	20 353 270	21 437 001
	Nett Transfers	(75 111)	1
	Conditions met - Own Income	(2 480 878)	(337 821)
	Conditions met - Operating	(230 514)	(221 979)
	Conditions met - Capital	(17 732 344)	(21 008 234)
	Conditions still to be met	<u>(165 576)</u>	<u>2</u>
	Municipal Infrastructure Grant received with conditions to be met.		
9.05	Local Economic Development		
	Opening balance	31 341	29 862
	Interest on investment (Only if condition)	1 603	1 479
	Conditions still to be met	<u>32 944</u>	<u>31 341</u>
	Local Economic Development received with conditions to be met.		
9.06	Central Karoo District Municipality Funds		
	Opening balance	222 087	374 976
	Grants received	318 800	521 930
	Interest on investment (Only if condition)	318	294
	Conditions met - Operating	(454 651)	(675 113)
	Conditions still to be met	<u>86 554</u>	<u>222 087</u>
	Central Karoo District Municipality Funds received with conditions to be met.		
9.07	Public Contributions		
	Opening balance	-	376 304
	Grants received	137 136	578 533
	Interest on investment (Only if condition)	4 418	10 446
	Conditions met - Own Income	-	(813)
	Conditions met - Operating	(2 502)	(964 470)
	Conditions still to be met	<u>139 052</u>	<u>-</u>
	Public Contributions received with conditions to be met.		
9.08	Total Conditional Grants and Receipts		
	Opening balance	6 861 736	13 499 217
	Grants received	67 763 957	89 245 983
	Interest on investment (Only if condition)	252 613	275 312
	Nett Transfers	(75 111)	(8 636 000)
	Conditions met - Own Income	(4 015 989)	(2 832 750)
	Conditions met - Operating	(42 351 760)	(33 580 161)
	Conditions met - Capital	(21 348 285)	(51 170 025)
	Refund to Donor	(482 929)	-
	Conditions still to be met	<u>6 604 234</u>	<u>6 801 576</u>
	Total Conditional Grants and Receipts received with conditions to be met.		

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

10 UNSPENT PUBLIC CONTRIBUTIONS

Unspent Public Contribution

139 052

The Unspent Public Contributions are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

11 TAXES

2014
R

2013
R

VAT

162 628

(49 149)

Provision for Debt Impairment of trade receivables from exchange transactions

3 769 386

3 514 387

3 932 014

3 465 238

VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

30 June 2014

	Opening Balance		Additions		Cost		Disposals		Closing Balance		Accumulated Impairment		Opening Balance		Depreciation Charge		Disposals/Transfers		Closing Balance		Carrying Value	
	R		R		R		R		R		R		R		R		R		R		R	
Land and Buildings	54 142 214		1 990		-		-		54 144 204		9 989 999		875 040		159 442		-		1 034 482		43 198 723	
Land	39 915 780		-		-		-		39 915 780		8 698 520		875 040		-		-		1 034 482		31 217 280	
Buildings	14 226 434		1 990		-		-		14 228 424		1 271 479		-		159 442		-		-		11 922 455	
Infrastructure	328 451 398		12 563 692		-		-		363 516 220		-		43 614 659		10 334 113		-		53 948 772		299 567 448	
Stormwater Network	38 638 238		1 738 359		41 370		-		40 417 967		-		6 897 612		1 505 756		-		8 343 368		32 074 599	
Road Network	113 738 678		1 748 032		2 328 947		-		117 813 657		-		15 634 058		3 335 640		-		19 969 698		98 843 959	
Sanitation Network	51 960 534		1 093 607		4 170 182		-		57 194 323		-		5 077 776		1 614 818		-		6 692 594		50 501 730	
Electricity Network	68 193 411		5 967 303		3 363 684		-		75 544 698		-		5 362 722		1 721 950		-		7 084 672		68 459 926	
Water Network	58 628 422		1 983 829		2 181 371		-		60 793 622		-		10 412 459		2 105 818		-		12 518 277		48 275 345	
Refuse Network	1 292 115		-		459 938		-		1 752 053		-		290 033		50 131		-		340 164		1 411 899	
Community Assets	18 275 613		644 569		-		-		16 920 182		557 801		1 334 593		429 061		-		1 763 654		14 598 727	
Taxi Rank	252 000		-		-		-		252 000		-		15 101		2 468		-		17 569		234 431	
Museum	-		-		-		-		-		-		-		-		-		-		-	
Cemeteries	17 200		-		-		-		17 200		-		1 030		168		-		1 198		16 002	
Community centres	9 704 783		-		-		-		9 704 783		349 709		850 397		280 518		-		1 130 915		8 224 159	
Recreation sites	5 744 152		644 569		-		-		6 388 721		168 621		433 880		139 910		-		573 780		5 628 310	
Libraries	557 477		-		-		-		557 477		21 470		34 185		5 997		-		40 182		495 824	
Lease Assets	4 457 040		4 093 249		-		-		6 367 882		-		2 000 952		1 546 485		(2 182 407)		1 385 030		5 002 852	
Office Equipment (Lease)	628 150		247 737		-		-		797 780		-		250 490		108 054		(78 107)		280 437		517 343	
Vehicles (Lease)	3 828 890		3 845 512		-		-		5 570 102		-		1 750 462		1 438 431		(2 104 300)		1 084 593		4 485 509	
Other Assets	16 798 798		821 851		-		-		17 059 136		-		7 080 007		1 031 056		(393 514)		7 697 549		9 361 587	
Computer hardware	2 362 542		197 439		-		-		2 559 981		-		1 226 581		167 394		(3 001)		1 390 954		1 169 027	
Air conditioners	559 368		38 377		-		-		597 745		-		332 086		29 774		-		361 859		235 866	
Chairs	284 164		15 479		-		-		299 643		-		191 686		11 744		-		203 440		96 203	
Concrete Mixer	11 938		-		-		-		11 938		-		9 017		325		-		9 342		2 596	
Desks & Tables	322 173		6 350		-		-		328 523		-		202 738		12 833		-		215 571		112 952	
Compactors	30 731		-		-		-		30 731		-		23 774		849		-		24 623		6 108	
Compressors	218 751		-		-		-		218 751		-		44 755		10 146		-		54 901		163 850	
Tools	798 059		265 972		-		-		1 064 031		-		365 496		55 936		-		421 422		642 609	
Electronic Equipment	680 004		157 820		-		-		847 824		-		372 915		44 326		-		417 241		430 583	
Fire Brigade Equipment	138 990		-		-		-		138 990		-		23 430		6 456		-		29 886		109 104	
Lawn Equipment	290 475		10 115		-		-		300 590		-		183 973		12 595		-		196 588		104 022	
Trucks/LDV	6 438 972		-		-		-		5 963 254		-		2 182 006		389 438		(339 718)		2 241 724		3 721 530	
Motor Vehicles	532 836		13 154		-		-		501 214		-		171 239		46 752		(16 776)		201 215		299 899	
Office Equipment	557 825		-		-		-		536 808		-		372 815		28 310		(21 019)		380 108		156 700	
Office Furniture	836 276		58 015		-		-		894 291		-		439 302		47 332		-		486 634		407 657	
Trailers	408 922		7 320		-		-		414 242		-		266 926		16 269		-		283 195		131 047	
Tractors	1 456 524		-		-		-		1 436 524		-		264 596		87 987		(13 000)		339 483		1 097 041	
Toolbox	332 788		27 528		-		-		360 314		-		140 609		23 450		-		164 059		196 255	
Gym Equipment	116 903		-		-		-		116 903		-		66 891		4 472		-		71 363		45 440	
Generators	187 130		-		-		-		187 130		-		51 446		8 277		-		59 723		127 407	
Radio Equipment	225 527		24 284		-		-		249 811		-		127 747		18 493		-		144 240		105 571	
	420 125 063		18 062 789		12 563 692		-		448 007 624		10 527 800		54 885 251		13 500 157		(2 575 921)		65 609 487		371 670 337	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

12. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

30 June 2013

Land and Buildings	Opening Balance			Additions			Cost			Accumulated Depreciation			Carrying Value		
	R			R			R			R			R		
Land	54 340 364	-	-	-	-	(198 150)	-	-	712 805	162 235	-	-	875 040	-	53 267 174
Buildings	40 113 930	-	-	-	-	(198 150)	-	-	-	-	-	-	-	-	39 915 780
Balance previously reported	35 343 105	-	-	-	-	(198 150)	-	-	-	-	-	-	-	-	35 144 955
Correction of error. Refer note 38.07	4 770 825	-	-	-	-	-	-	-	-	-	-	-	-	-	4 770 825
Buildings	14 228 434	-	-	-	-	-	-	-	712 805	162 235	-	-	875 040	-	13 351 394
Balance previously reported	15 511 934	-	-	-	-	-	-	-	777 115	174 956	-	-	952 071	-	14 559 863
Correction of error. Refer note 38.07	(1 285 500)	-	-	-	-	-	-	-	(64 310)	(12 721)	-	-	(77 031)	-	(1 208 469)
Infrastructure	276 574 688	51 876 710	-	-	-	-	-	-	33 245 926	10 368 733	-	-	43 614 659	-	284 836 738
Stormwater Network	34 914 816	3 723 422	-	-	-	-	-	-	5 348 275	1 489 337	-	-	6 837 612	-	31 800 828
Road Network	82 268 508	31 472 170	-	-	-	-	-	-	12 369 788	3 234 270	-	-	15 634 058	-	98 104 620
Sanitation Network	51 404 217	556 317	-	-	-	-	-	-	3 424 368	1 653 408	-	-	5 077 776	-	46 862 759
Electricity Network	53 371 181	12 822 230	-	-	-	-	-	-	3 596 855	1 765 867	-	-	5 362 722	-	60 830 669
Water Network	53 699 743	2 928 679	-	-	-	-	-	-	8 241 667	2 170 762	-	-	10 412 469	-	46 215 963
Refuse Network	918 223	373 892	-	-	-	-	-	-	234 944	55 089	-	-	290 033	-	1 002 082
Community Assets	19 225 790	209 823	(3 160 000)	-	-	-	-	-	1 040 843	483 106	(189 356)	-	1 334 593	-	14 941 020
Taxi Rank	252 000	-	-	-	-	-	-	-	12 607	2 494	-	-	15 101	-	236 899
Museum	3 160 000	-	(3 160 000)	-	-	-	-	-	158 086	31 270	(189 356)	-	-	-	-
Cemeteries	17 200	-	-	-	-	-	-	-	860	170	-	-	1 030	-	16 170
Community centres	9 704 783	-	-	-	-	-	-	-	554 246	298 151	-	-	850 397	-	8 854 386
Balance previously reported	9 686 383	-	-	-	-	-	-	-	553 326	295 967	-	-	849 293	-	8 637 090
Correction of error. Refer note 38.07	18 400	-	-	-	-	-	-	-	920	184	-	-	1 104	-	17 296
Recreation sites	5 534 329	209 823	-	-	-	-	-	-	286 955	146 924	-	-	433 880	-	5 310 273
Balance previously reported	6 642 829	209 823	-	-	-	-	-	-	342 441	157 776	-	-	500 217	-	6 362 435
Correction of error. Refer note 38.07	(1 108 500)	-	-	-	-	-	-	-	(55 486)	(10 852)	-	-	(66 337)	-	(1 042 163)
Libraries	557 477	-	-	-	-	-	-	-	28 098	6 097	-	-	34 185	-	523 292
Lease Assets	4 652 316	1 883 024	-	-	(2 078 300)	-	-	-	3 079 020	1 000 232	(2 078 300)	-	2 000 952	-	2 458 088
Office Equipment (Lease)	339 187	288 893	-	-	-	-	-	-	142 325	108 165	-	-	250 490	-	377 680
Vehicles (Lease)	4 313 129	1 594 081	-	-	(2 078 300)	-	-	-	2 936 695	892 067	(2 078 300)	-	1 750 462	-	2 078 428
Other Assets	16 578 118	226 843	-	-	(5 163)	-	-	-	6 289 068	765 783	(4 844)	-	7 060 007	-	9 738 791
Computer hardware	2 260 103	107 439	-	-	(5 000)	-	-	-	1 067 401	162 889	(3 729)	-	1 228 561	-	1 135 981
Air conditioners	559 368	-	-	-	-	-	-	-	237 963	34 122	-	-	332 085	-	227 283
Chairs	282 002	2 162	-	-	-	-	-	-	180 147	11 549	-	-	191 696	-	92 468
Concrete Mixer	11 938	-	-	-	-	-	-	-	8 652	365	-	-	9 017	-	2 921
Desks & Tables	319 287	2 886	-	-	-	-	-	-	188 784	13 564	-	-	202 338	-	119 435
Compactors	30 731	-	-	-	-	-	-	-	22 803	971	-	-	23 774	-	6 957
Compressors	218 751	-	-	-	-	-	-	-	33 912	10 843	-	-	44 755	-	173 998
Tools	764 167	33 892	-	-	-	-	-	-	316 511	48 975	-	-	365 486	-	432 573
Electronic Equipment	650 818	40 349	-	-	(1 163)	-	-	-	338 341	34 889	(1 115)	-	372 915	-	317 089
Fire Brigade Equipment	138 990	-	-	-	-	-	-	-	16 506	6 824	-	-	23 430	-	115 560
Lawn Equipment	290 475	-	-	-	-	-	-	-	171 325	12 648	-	-	183 973	-	106 502
Trucks/LDV	6 438 972	-	-	-	-	-	-	-	1 980 991	201 025	-	-	2 182 036	-	4 256 966
Motor Vehicles	532 836	-	-	-	-	-	-	-	154 095	17 174	-	-	171 239	-	361 597
Office Equipment	547 396	10 429	-	-	-	-	-	-	345 846	27 169	-	-	372 815	-	185 010
Office Furniture	818 990	17 286	-	-	-	-	-	-	392 517	48 785	-	-	439 302	-	366 974
Trailers	408 922	-	-	-	-	-	-	-	248 255	18 671	-	-	266 926	-	139 996
Trackers	1 458 524	-	-	-	-	-	-	-	202 383	62 213	-	-	264 596	-	1 191 928
Toolbox	332 786	-	-	-	-	-	-	-	113 761	25 648	-	-	146 809	-	192 178
Gym Equipment	118 803	-	-	-	-	-	-	-	61 905	4 986	-	-	66 891	-	49 912
Generators	187 130	-	-	-	-	-	-	-	42 568	8 678	-	-	51 446	-	135 684
Radio Equipment	213 127	12 400	-	-	-	-	-	-	113 642	14 105	-	-	127 747	-	97 780
	371 371 276	54 196 400	(3 160 000)	-	(2 282 613)	-	-	-	44 377 862	12 780 090	(2 272 500)	-	54 885 251	-	385 239 811

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2014 R	2013 R
Carrying value of assets retired from active use and held for disposal:		
Cost	-	-
Land and Buildings	-	-
Accumulated depreciation	-	-
Land and Buildings	-	-
Carrying value	-	-
Impairment of property plant and equipment		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Land and Buildings	9 969 999	-
Community Assets	557 801	-
	<u>10 527 800</u>	<u>-</u>

The effect of a change in accounting estimate will have on the current period and subsequent periods:

	2014 R	2015 R	2016 R
Effect on Property, plant and equipment	<u>378 502</u>	<u>378 502</u>	<u>324 486</u>

Assessment of impairment of assets was performed on other assets.

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

13 INVESTMENT PROPERTY

	2014 R	2013 R
Net Carrying amount at 1 July	9 380 540	9 646 894
Cost	11 222 424	11 222 424
Balance previously reported	-	11 609 924
Correction of error. Refer to note	-	(387 500)
Accumulated Depreciation	(1 841 884)	(1 575 530)
Balance previously reported	-	(1 640 184)
Correction of error. Refer to note	-	64 654
Accumulated Impairment	(466 582)	-
Depreciation for the year	(266 355)	(266 354)
Balance previously reported	-	(279 271)
Correction of error. Refer to note	-	12 917
Net Carrying amount at 30 June	8 647 603	9 380 540
Cost	10 755 842	11 222 424
Accumulated Depreciation	(2 108 239)	(1 841 884)
Revenue derived from the rental of investment property:		
Sanlam Building	191 374	192 446
Operating expenditure incurred on properties generating revenue	25 642	10 539

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The cost model in terms of GRAP 16 is being applied on Investment Property.

Cost at implementation of GRAP 16 and fair value was determined by valuation roll of 1 July 2009.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

14	INTANGIBLE ASSETS	2014 R	2013 R
	Computer System & Software		
	Net Carrying amount at 1 July	334 581	433 721
	Cost	1 049 204	1 041 845
	Accumulated Amortisation	(714 623)	(608 124)
	Acquisitions	24 809	7 359
	Amortisation for the year	(90 620)	(106 499)
	Net Carrying amount at 30 June	268 770	334 581
	Cost	1 074 013	1 049 204
	Accumulated Amortisation	(805 243)	(714 623)

The following material intangible assets are included in the carrying value above

Description	Remaining Amortisation Period	Carrying Value	
		2014 R	2013 R
Sebata System	3	238 943	318 737

No intangible asset were assessed as having an indefinite useful life.
There are no intangible assets whose title is restricted.
There are no intangible assets pledged as security for liabilities

15	CAPITALISED RESTORATION COST	Notes	2014 R	2013 R
	Net Carrying amount at 1 July		1 744 746	1 827 758
	Cost		2 565 251	2 473 403
	Balance previously reported			2 505 396
	Correction of Error	38.06		(2 505 396)
	Correction of Error	38.06		2 473 403
	Accumulated Depreciation		(721 672)	(558 028)
	Balance previously reported			(1 088 885)
	Correction of Error	38.06		1 088 885
	Correction of Error	38.06		(558 028)
	Accumulated Impairments		(98 833)	(87 617)
	Balance previously reported			(71 295)
	Correction of Error	38.06		71 295
	Correction of Error	38.06		(87 617)
	Additions		87 835	91 848
	Balance previously reported			-
	Correction of Error	38.06		91 848
	Depreciation for the year		(172 950)	(163 644)
	Balance previously reported			(77 719)
	Correction of Error	38.06		77 719
	Correction of Error	38.06		(163 644)
	Impairment - Note		4 371	(11 216)
	Balance previously reported			(18 356)
	Correction of Error	38.06		18 356
	Correction of Error	38.06		(11 216)
	Net Carrying amount at 30 June		1 664 002	1 744 746
	Cost		2 653 085	2 565 251
	Accumulated Depreciation		(894 623)	(721 672)
	Accumulated Impairments		(94 461)	(98 833)

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
16 HERITAGE ASSETS		
Net Carrying amount at 1 July	2 970 644	-
Transfers from Property, Plant and equipment	-	2 970 644
Net Carrying amount at 30 June	2 970 644	2 970 644
<p>The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in May 2010. The municipality identified its heritage assets during the current period but did not measure all its heritage assets. The municipality is currently in the process of measuring its heritage assets in terms of GRAP 103 and it is expected that this process will be completed for inclusion in the 2015 financial statements.</p>		
17 LONG-TERM RECEIVABLES		
Housing Loans	510 743	554 859
Receivables with arrangements	4 387 459	3 400 933
Less: Current portion transferred to Trade and other receivables from exchange transactions	(1 221 615)	(2 334 285)
	3 676 587	1 621 507
Less: Provision for Debt Impairment	-	-
Total Long Term Receivables	3 676 587	1 621 507
<p>ARRANGEMENTS</p> <p>Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.</p> <p>HOUSING LOANS</p> <p>The outstanding amount relates to prior years and is still collectable. General public were entitled to housing loans which attract interest at 13.5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.</p>		
18 INVENTORY		
Consumable Stores - Stationery and materials - At cost	2 734 031	3 101 494
Water - at cost	57 419	64 409
Total Inventory	2 791 450	3 165 903
Consumable stores materials written down due to losses as identified during the annual stores counts.	413	26 064
Consumable stores materials surplusses identified during the annual stores counts.	4 263	35 078
<p>No inventory assets were pledged as security for liabilities.</p>		
19 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS		
<i>Service Receivables</i>		
Water	4 032 531	2 904 579
Electricity	6 703 596	5 392 199
Housing Rentals	96 734	107 275
Refuse	6 215 193	4 963 549
Sewerage	8 915 638	6 458 247
Total Service Receivables	25 963 692	19 825 849
Less: Provision for Debt Impairment	(17 395 674)	(13 283 316)
Net Service Receivables	8 568 018	6 542 531
<i>Other Receivables</i>		
Other Arrears	19 847 609	22 886 315
Total Other Receivables	19 847 609	22 886 315
Less: Provision for Debt Impairment	(13 297 898)	(15 333 831)
Net Other Receivables	6 549 711	7 552 484
Total Net Receivables from Exchange Transactions	15 117 729	14 095 015

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

19	TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)	2014 R	2013 R
	Ageing of Receivables from Exchange Transactions		
	<u>(Electricity): Ageing</u>		
	Current (0 - 30 days)	4 354 590	3 625 373
	31 - 60 Days	384 762	161 078
	61 - 90 Days	216 579	47 729
	+ 90 Days	1 747 665	1 558 019
	Total	6 703 596	5 392 199
	<u>(Water): Ageing</u>		
	Current (0 - 30 days)	925 824	954 256
	31 - 60 Days	254 843	178 572
	61 - 90 Days	285 400	136 832
	+ 90 Days	2 566 464	1 634 919
	Total	4 032 531	2 904 579
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	514 107	458 552
	31 - 60 Days	248 405	185 925
	61 - 90 Days	227 053	171 262
	+ 90 Days	5 225 628	4 147 810
	Total	6 215 193	4 963 549
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	955 895	835 803
	31 - 60 Days	365 817	271 585
	61 - 90 Days	330 109	245 584
	+ 90 Days	7 263 817	5 105 275
	Total	8 915 638	6 458 247
	<u>(Housing Rentals Debtors): Ageing</u>		
	Current (0 - 30 days)	5 819	5 864
	31 - 60 Days	2 615	1 393
	61 - 90 Days	1 960	1 393
	+ 90 Days	86 340	98 625
	Total	96 734	107 275
	<u>(Other Debtors): Ageing</u>		
	Current (0 - 30 days)	1 093 898	555 590
	31 - 60 Days	630 250	196 836
	61 - 90 Days	326 270	147 306
	+ 90 Days	17 797 191	21 986 583
	Total	19 847 609	22 886 315
20	OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2014 R	2013 R
	<u>Service Receivables</u>		
	Taxes - Rates	5 724 720	6 418 938
	Other Receivables	38 046 557	6 761 311
	Total Service Receivables	43 771 277	13 180 249
	Less: Provision for Debt Impairment	(28 800 995)	(4 300 688)
	Total Net Receivables from Non-Exchange Transactions	14 970 281	8 879 561
	Ageing of Receivables from Non-Exchange Transactions		
	<u>(Rates): Ageing</u>		
	Current (0 - 30 days)	1 194 606	1 046 177
	31 - 60 Days	328 898	1 465 551
	61 - 90 Days	310 669	164 699
	+ 90 Days	3 890 547	3 742 511
	Total	5 724 720	6 418 938

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20

OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

2014
R

2013
R

(Other Receivables): Ageing

Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	38 046 557	6 761 311
Total	38 046 557	6 761 311

Summary of Receivables by Customer Classification

Residential, Industrial & Commercial R	Other Debtors R	National and Provincial Government R	Total R
2014			
Total Receivables	88 256 451	1 326 127	89 582 578
Less: Provision for doubtful debts	(59 494 567)	-	(59 494 567)
Total Recoverable debtors by customer classification	28 761 884	1 326 127	30 088 011

Summary of Receivables by Customer Classification

Residential, Industrial & Commercial R	Other Debtors R	National and Provincial Government R	Total R
2013			
Total Receivables	55 339 378	553 035	55 892 413
Less: Provision for doubtful debts	(32 917 837)	-	(32 917 837)
Total Recoverable debtors by customer classification	22 421 541	553 035	22 974 576

Trade and other receivables impaired

2014	Exchange Transactions R	Non-Exchange Transactions R	Total R
Total	(30 693 572)	(28 800 995)	(59 494 567)
2013	Exchange Transactions R	Non-Exchange Transactions R	Total R
Total	(28 617 149)	(4 300 688)	(32 917 837)

Debits on rates are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total Provision for Debt Impairment

	2014 R	2013 R
Balance at beginning of the year	32 917 840	32 285 048
Contributions to provision	27 217 301	8 000 132
VAT Contributions to provision	254 999	83 450
Additional interest/corrections transferred to/from provision	15 131	11 189
Doubtful debts written off against provision	(910 704)	(7 461 979)
Balance at end of year	59 494 567	32 917 840

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21	OPERATING LEASE ARRANGEMENTS		2014	2013
			R	R
21.1	The Municipality as Lessee			
	Balance on 1 July		-	547
	Operating Lease Liability for the current year		-	(547)
	Balance on 30 June		-	-
	Beaufort West Municipality is leasing land from Transnet Limited for periods of 60 months with escalations of 9% per year.			
	At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:			
	Up to 1 Year		-	3 600
	1 to 5 Years		-	-
	More than 5 Years		-	-
	Total Operating Lease Arrangements		-	3 600
21.2	The Municipality as Lessor	Notes		
	Balance on 1 July		11 821	11 535
	Operating Lease Asset for the current year		(1 813)	286
	Balance Previously Reported			1 108
	Correction of error	38.02		(822)
	Balance on 30 June		10 008	11 821
	Beaufort West Municipality is leasing land to rate payers for periods of 36 to 119 months with escalations of 10% per year.			
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:			
	Up to 1 Year		243 900	285 020
	1 to 5 Years		326 317	199 460
	More than 5 Years		158 386	160 184
	Total Operating Lease Arrangements		728 603	644 664
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.			
	The leases are in respect of land being leased out for a period until 2109			
22	CASH AND CASH EQUIVALENTS		2014	2013
			R	R
	<u>Assets</u>			
	Call Investments Deposits		9 332 328	16 811 803
	Primary Bank Account		2 592 738	1 273 546
	Cash Floats		12 070	12 330
	Total Cash and Cash Equivalents - Assets		11 937 136	18 097 679
	<u>Liabilities</u>			
	Primary Bank Account		-	-
	Total Cash and Cash Equivalents - Liabilities		-	-
	Call Investments Deposits to an amount of R7 287 526 are held to fund the Unspent Conditional Grants (2013: R7 774 144).			
	Bank overdraft of R5 000 000 exists at ABSA Bank and the Municipality has a fuel overdraft facility of R 400 000 at ABSA Bank.			

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

22	CASH AND CASH EQUIVALENTS (CONTINUED)	2014 R	2013 R
	The municipality has the following bank account:		
	<u>Current Account</u>		
	<i>Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):</i>		
	Cash book balance at beginning of year	1 273 546	(3 660 114)
	Cash book balance at end of year	-	1 273 546
	Bank statement balance at beginning of year	2 925 478	575 400
	Bank statement balance at end of year	2 151 835	2 925 478
	<u>Call Investment Deposits</u>		
	Call investment deposits consist out of the following accounts:		
	Investec	2 743 193	6 374 013
	ABSA	2 786 780	7 165 527
	Standard Bank	334 603	1 739 356
	Nedbank	3 467 757	1 532 927
		9 332 333	16 811 823
23	PROPERTY RATES		
	<u>Actual</u>		
	Rateable Land and Buildings	25 229 135	23 829 866
	Residential, Commercial Property, State	25 229 135	23 829 866
	<u>Less: Rebates</u>	(2 436 905)	(2 184 339)
	Total Assessment Rates	22 792 230	21 645 527
	<u>Valuations on 30 June 2014:</u>		
		2014 R	2013 R
	Residential	1 081 471 237	1 398 636 326
	Commercial	253 591 100	226 933 830
	Governments	72 862 150	45 086 885
	Schools	43 501 100	42 109 100
	PSI	40 976 097	51 599 626
	Non profitable	80 774 570	-
	Exemptions (Municipal)	207 958 061	-
	Agricultural	1 686 056 802	1 074 924 181
	Vacant Erven	55 000	437 270
	Building Clause	9 429 728	9 429 728
	Total Property Valuations	3 476 675 845	2 849 156 946

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. Rebates were granted on land with buildings used solely for dwellings purposes as follows: Residential - The first R19 000 on the valuation is exempted.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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GOVERNMENT GRANTS AND SUBSIDIES

	2014 R	2013 R
Unconditional Grants	35 567 000	32 765 000
Equitable Share - Refer to Note 24.1	35 567 000	32 765 000
Conditional Grants	63 700 041	84 346 249
Municipal Infrastructure Grant	17 732 343	21 008 234
Finance Management Grant	1 549 058	1 322 133
Department of Water Affairs and Forestry	-	185 687
Department of Mineral and Energy	8 737 286	21 195 621
Municipal System Improvement Grant	857 071	800 000
Public Transport Infrastructure Program (PTIP)	13 482	-
Provincial Administration Western Cape (PAWC)	32 701 524	29 269 457
Development Bank of South Africa	-	371 889
Neighbourhood Development Programme (NDP)	230 514	221 979
Donations and Public Contributions	2 502	588 667
Disaster Fund	-	3 912
Job Creation	454 650	511 973
Expended Public Works Program National (EPWP)	1 093 379	1 473 752
Neighbourhood Development Program Capital (NDP)	-	6 291 602
Regional Bulk Infrastructure Grant : Capital (RBIG)	26 581	722 737
Community Development Workers	301 651	378 606
Total Government Grants and Subsidies	99 267 041	117 111 249
Government Grants and Subsidies - Capital	21 348 285	51 170 025
Government Grants and Subsidies - Operating	77 918 756	65 941 227
	99 267 041	117 111 252
Revenue recognised per vote as required by Section 123 (c) of the MFMA		
Executive & Council	22 192 164	34 204 774
Budget & Treasury	4 646 728	1 604 358
Planning & Development	290 514	232 044
Community & Social Services	3 675 040	3 819 179
Housing	28 790 936	15 239 051
Sport & Recreation	844 212	209 823
Waste Management	750 567	618 390
Waste Water Management	6 388 541	7 279 641
Road Transport	7 540 295	27 694 309
Water	9 088 167	4 201 779
Electricity	15 059 877	22 007 901
	99 267 041	117 111 249

The municipality does not expect any significant changes to the level of grants.

24.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned

See Appendix D & note 9 for a reconciliation of all grants.

25

SERVICE CHARGES

Electricity	56 620 589	51 717 984
Service Charges - Electricity	59 505 650	54 382 735
Less: Rebates	(2 885 061)	(2 664 751)
Water	12 149 823	11 493 073
Service Charges - Water	19 048 372	18 676 995
Less: Rebates	(6 898 549)	(7 183 922)
Refuse removal	5 598 121	5 205 292
Service Charges - Refuse	6 307 318	5 714 134
Less: Rebates	(709 197)	(508 842)
Sewerage and Sanitation Charges	10 730 841	9 886 067
Service Charges - Sewerage	12 889 262	11 718 247
Less: Rebates	(2 158 421)	(1 832 180)
Total Service Charges	85 099 374	78 302 416

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
26 OTHER REVENUE		
Insurance excess revenue	141 022	174 390
VAT portion of Grants that the Municipality may recognize as own income	3 848 605	2 676 617
Selling of burial sites	188 432	167 439
Subsidies	23 377	51 621
Fees: swimming pool	82 209	143 155
Commission on insurances	93 091	82 762
Re-connections	61 309	57 870
Building plans	95 591	67 516
Sale of land	199 338	20 798
Reversal: Impairment	4 371	-
Other income represents sundry income such as administration income, sale of sand and photocopies.		
	639 049	740 798
Total Other Income	5 356 394	4 182 966
27 EMPLOYEE RELATED COSTS		
Standby Allowances	1 176 001	773 927
Housing Subsidy	246 105	252 182
Bonus	3 850 621	3 214 232
Essential Users	1 180 179	885 175
Overtime	3 268 436	2 319 076
Long Service Awards	12 000	12 000
Salaries	43 560 747	39 263 307
Acting Allowance	2 189 981	1 144 989
Uniform Allowance	57 120	43 227
Leave Reserve Fund	540 012	1 100 925
Transport Allowance	404 675	472 192
Group Insurance	54 618	57 246
Medical Aid Contribution	1 177 668	1 120 023
Provident Fund SAMWU	623 397	630 923
Pension Fund Contribution	6 003 064	8 019 042
Occupational Health/Safety	61 555	101 591
Unemployment Fund	415 452	361 741
Long Service Bonus	264 427	354 221
Post Retirement Medical	780 485	815 290
MIG PMU	36 251	43 836
Expanded Public Works Programme	1 340 068	1 105 195
Housing	670 997	244 498
Total Employee Related Costs	67 913 859	62 334 838
KEY MANAGEMENT PERSONNEL		
Director Community Services, Municipal Manager are appointed on 5-year fixed contracts and the Director Finance and Director Corporate Services were vacant at 30 June 2014. There are no post-employment or termination benefits payable to them at the end of the contract period.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager: J Booysen</i>		
Annual Remuneration	818 150	773 369
Performance Bonuses	109 409	102 221
Car Allowance	120 000	119 850
Contributions, Medical and Pension Funds	87 232	112 918
Function Committee Allowance	2 625	2 675
Total	1 137 416	1 111 032
<i>Remuneration of the Director Financial Services: D Louw (Till 31 August 2012)</i>		
Annual Remuneration	-	91 582
Performance Bonuses	-	59 474
Car Allowance	-	17 771
Contributions, Medical and Pension Funds	-	22 604
Leave pay-out	-	34 305
Telephone	-	1 000
Total	-	226 736
<i>Remuneration of the Director Electrical Services: RE van Staden</i>		
Annual Remuneration	553 908	520 208
Performance Bonuses	75 562	70 597
Car Allowance	72 000	72 000
Contributions, Medical and Pension Funds	108 012	93 012
Leave pay-out	-	112 826
Acting Allowance	35 950	47 892
Total	845 432	916 535

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

27	EMPLOYEE RELATED COSTS (CONTINUED)	2014 R	2013 R
	<i>Remuneration of the Director Community Services: AC Makendiana</i>		
	Annual Remuneration	661 200	683 701
	Performance Bonuses	63 656	59 474
	Car Allowance	60 000	60 000
	Contributions, Medical and Pension Funds	128 928	53 382
	Acting Allowance	227 995	10 224
	Telephone	6 000	6 000
	Total	1 147 779	872 781
	<i>Remuneration of the Director Engineering Services: JCL Smit</i>		
	Annual Remuneration	595 401	559 473
	Performance Bonuses	80 667	75 367
	Car Allowance	72 000	72 000
	Contributions, Medical and Pension Funds	116 103	100 037
	Acting Allowance	1 858	-
	Total	866 029	806 877
	<i>Remuneration of the Director Corporate Services: NE Mfundisi</i>		
	Annual Remuneration	152 405	428 060
	Performance Bonuses	29 798	44 544
	Car Allowance	24 000	71 892
	Contributions, Medical and Pension Funds	52 981	93 544
	Acting Allowance	6 987	13 802
	Leave pay-out	22 861	-
	Total	289 032	651 842
28	REMUNERATION OF COUNCILLORS		
	<i>Remuneration of Councillor: H.T. Prince</i>		
	Annual Remuneration	382 012	389 863
	Telephone Allowance	20 868	19 872
	Travelling	158 670	134 990
	Tools of trade	3 600	3 600
	Pension	56 421	55 604
	Medical	37 850	24 022
	Total	659 421	627 951
	<i>Remuneration of Councillor: S.M. Motsoane</i>		
	Annual Remuneration	332 519	315 726
	Telephone Allowance	20 868	19 872
	Travelling	126 936	120 892
	Tools of trade	3 600	3 600
	Pension	48 291	46 950
	Total	532 214	507 040
	<i>Remuneration of Councillor: G.P. Adolph</i>		
	Annual Remuneration	357 009	340 009
	Telephone Allowance	20 868	19 872
	Travelling	119 003	113 336
	Tools of trade	3 600	3 600
	Total	500 480	476 817
	<i>Remuneration of Councillor: J. Bostander</i>		
	Annual Remuneration	124 696	118 396
	Telephone Allowance	20 868	12 396
	Travelling	47 601	45 335
	Tools of trade	3 600	3 600
	Pension	18 109	17 607
	Total	214 874	197 334
	<i>Remuneration of Councillor: M. Furmen</i>		
	Annual Remuneration	190 405	181 338
	Telephone Allowance	20 868	12 396
	Tools of trade	3 600	3 600
	Total	214 873	197 334

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

28

REMUNERATION OF COUNCILLORS (CONTINUED)

	2014 R	2013 R
<i>Remuneration of Councillor: G. De Vos</i>		
Annual Remuneration	142 804	136 003
Telephone Allowance	20 868	12 396
Travelling	47 601	45 335
Tools of trade	3 600	3 600
Total	214 873	197 334
<i>Remuneration of Councillor: P.A. Jacobs</i>		
Annual Remuneration	55 584	315 728
Telephone Allowance	3 478	19 872
Travelling	21 156	120 876
Tools of trade	600	3 600
Pension	7 884	46 950
Total	88 702	507 026
<i>Remuneration of Councillor: A.M. Slabbert</i>		
Annual Remuneration	142 804	142 142
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: D.E. Welgemoed</i>		
Annual Remuneration	124 695	124 802
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Pension	18 109	17 340
Total	214 873	205 520
<i>Remuneration of Councillor: A.D. Willemse</i>		
Annual Remuneration	142 804	142 142
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: G.T. Murray</i>		
Annual Remuneration	190 405	189 524
Telephone Allowance	20 868	12 396
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: R. vd Linde</i>		
Annual Remuneration	142 804	142 142
Telephone Allowance	20 868	12 396
Travelling	47 601	47 382
Tools of trade	3 600	3 600
Total	214 873	205 520
<i>Remuneration of Councillor: L. Deyce</i>		
Annual Remuneration	166 260	157 864
Telephone Allowance	20 868	12 396
Tools of trade	3 600	3 600
Pension	24 145	23 474
Total	214 873	197 334
<i>Remuneration of Councillor: E.A.J. Beyers</i>		
Annual Remuneration	138 468	-
Telephone Allowance	17 390	-
Tools of trade	3 000	-
Pension	20 203	-
Total	179 061	-

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

28	REMUNERATION OF COUNCILLORS (CONTINUED)	2014 R	2013 R
	Total Remuneration of Councillors		
	Annual Remuneration	2 633 267	2 695 679
	Telephone Allowance	271 283	191 052
	Travelling	711 371	770 292
	Tools of trade	46 800	46 800
	Pension	193 163	207 925
	Medical	37 850	24 022
	Total	3 893 734	3 935 770
	In-kind Benefits		
	The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
29	DEBT IMPAIRMENT		
	Trade Receivables from exchange transactions - Note 19	20 414 987	6 954 921
	Trade Receivables from non-exchange transactions - Note 19	6 802 314	1 045 211
	Total Contribution to Impairment Provision	27 217 301	8 000 132
30	DEPRECIATION AND AMORTISATION		
	Depreciation PPE	13 500 157	12 780 090
	Depreciation Investment Properties	266 355	266 354
	Depreciation Capitalised Restoration Cost	172 950	163 644
	Amortisation	90 620	106 499
	Total depreciation and amortisation expenditure	14 030 083	13 316 587
31	IMPAIRMENTS		
	Property Plant & Equipment	10 527 800	-
	Investment Properties	466 582	-
	Capitalised Restoration Cost	-	11 216
	Total Impairments	10 994 382	11 216
32	REPAIRS AND MAINTENANCE		
	Repairs and maintenance expenditure per vote		
	Executive & Council	3 631	255
	Budget & Treasury	341 005	103 196
	Corporate Services	1 022 096	588 379
	Planning & Development	130 653	137 989
	Community & Social Services	497 731	364 494
	Housing	267 569	88 492
	Public Safety	571 849	855 009
	Sport & Recreation	1 678 024	1 150 604
	Waste Management	2 092 404	1 269 149
	Waste Water Management	454 553	481 835
	Road Transport	3 245 667	2 766 607
	Water	2 436 173	2 015 066
	Electricity	4 666 913	1 450 224
	Total repairs and maintenance expenditure	17 408 268	11 271 299
33	FINANCE CHARGES		
	Long-term Liabilities	1 785 723	1 899 271
	Finance leases	325 383	294 960
	Post Retirement Charges	1 939 570	1 864 999
	Overdraft Facilities	36 050	72 859
	Total finance charges	4 086 726	4 132 089

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014 R	2013 R
34	BULK PURCHASES		
	Electricity	41 331 461	38 594 501
	Water	5 058 405	4 567 168
	Total Bulk Purchases	46 389 866	43 161 669
	Stock Adjustments	(7 323 581)	(6 646 662)
	Total Bulk Purchases excluding Stock Adjustments	39 066 285	36 515 007
35	CONTRACTED SERVICES		
	Accountancy Services	1 256 837	1 060 789
	Finance Management Grant	392 682	200 000
	IDP PAWK	63 000	-
	MSIG	-	18 657
	SDBIP	462 611	261 344
	Security Services	2 195 348	1 970 104
	Speed Camera	6 570 444	5 725 560
	Valuation cost	598 899	849 292
	Total Contracted services	11 539 821	10 085 746
36	GRANTS AND SUBSIDIES		
	Donations	60 000	39 859
	Total Grants and Subsidies	60 000	39 859
37	GENERAL EXPENSES		
	Advertisement Costs	235 450	299 498
	Banking Charges	593 170	546 572
	Bursaries	363 773	238 065
	Community Development Workers	306 859	378 606
	Organisations	1 042 140	964 818
	Insurance	1 010 157	755 912
	Asset Management Plan	28 906	163 326
	Licences/ Agreements	1 242 469	1 156 575
	Printing & Stationary	842 767	700 690
	Subsistence & Travel	1 185 207	796 937
	Audit fees	1 811 077	1 642 595
	Telephone Costs	1 429 982	1 374 655
	Training Costs	139 987	83 771
	Water service development program	110 484	245 520
	Ward Committee	579 038	353 358
	Transfer existing housing	3 876	366 421
	Vehicle Cost	73 827	499 837
	Postage	509 394	483 405
	Digging of graves	211 671	195 350
	Job Creation	520 154	466 688
	Legal expenses	465 028	265 945
	Rental Fees	223 569	208 735
	Customer Care	-	491 337
	Deeds Registrations	10 551	13 040
	Mayoral Golf Tournament	50 278	83 417
	Public Functions	57 242	69 357
	Publicity	11 235	10 286
	Tracking Device	197 481	346 076
	Deficit Rental Mun. Dwelling	27 036	24 594
	Licences Vehicles	134 256	117 042
	Consulting Fees	702 655	434 988
	Workmans Compensation	-	634 320
	Memorial Services	100 000	-
	Collection Charges	235 932	96 646
	SCOA Implementation	200 871	-
	Refuse Bins	131 200	160
	Basic service delivery rebates	830 210	990 962
	Youth and gender	15 172	8 983
	Literacy Program	6 746	7 053
	Housing	28 573 434	14 771 058
	Electricity network	2 809 243	9 312 609
	Water network	-	79 972
	Other expenditure	974 048	1 031 824
	General Expenses	47 996 575	40 711 023

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial Performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2013 R
38	CORRECTION OF ERROR IN TERMS OF GRAP 3	
38.01	Changes to Statement of Financial Performance	
	Balance previously reported	44 958 675
	Correction of "Tender Deposits" control account to income vote "Tender Documents" for 2012-2013	38.03 20 161
	Correction of "Traffic Fines" control account to income vote "Traffic Fines" for 2012-2013	38.03 (1 100 565)
	Correction of "ID Kaart" control account to income vote "Licences and Permits" for 2012-2013	38.03 147 059
	Correct category allocation of bulk purchases to stock adjustments	38.01 6 646 662
	Correct category allocation of stock adjustments from bulk purchases	38.01 (6 646 662)
	Correct category allocation of remuneration of councillors to general expenditure (telephone)	38.01 (166 810)
	Correct category allocation of general expenditure from remuneration of councillors (telephone)	38.01 166 810
	Correct category allocation of General expenditure from operating grant expenditure	38.01 25 170 656
	Correct category allocation of Employee related costs from operating grant expenditure	38.01 1 393 530
	Correct category allocation of Contracted services from operating grant expenditure	38.01 2 390 082
	Correct category allocation of other expenditure line items from operating grant expenditure	38.01 (28 954 269)
	Operating leases not recorded during the 2012/13 financial year - corrected against "Rental income"	38.02 (822)
	Reverse calculation of additional provision/ finance charges during 2012/13	38.05 292 474
	Correction on calculation of provision increase against finance charges during 2012/13	38.05 (227 119)
	Reverse calculation of depreciation during 2012/13	38.06 77 719
	Reverse calculation of impairment during 2012/13	38.06 18 356
	Correction on calculation of depreciation during 2012/13	38.06 (163 644)
	Correction on calculation of impairment during 2012/13	38.06 (11 216)
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Expenses	38.09 (403 936)
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Income	38.09 347 128
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Interest	38.09 65
	Investment property items with private owners - Reverse calculation of depreciation for 2012/2013	38.08 12 917
	Investment property assets with zero cost price - Reverse calculation of depreciation for 2012/2013	38.07 (11 449)
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of depreciation for 2012/2013	38.07 34 837
	Total	43 990 639
38.02	Operating Lease Arrangements	
	Balance Previously Reported	12 643
	Operating leases not recorded during the 2012/13 financial year - corrected against "Rental income"	38.01 (822)
	Total	11 821
38.03	Payables From Exchange Transactions	
	Balance Previously Reported	24 209 887
	Correction of "Tender Deposits" control account to income vote "Tender Documents" for 2012-2013	38.01 & 8 (20 161)
	Correction of "Tender Deposits" control account to Accumulated Surplus for 2001-2012	38.04 & 8 (229 852)
	Correction of "ID Kaart" control account to income vote "Licences and Permits" for 2012-2013	38.01 & 8 (147 059)
	Correction of "Traffic Fines" control account to income vote "Traffic Fines" for 2012-2013	38.01 & 8 1 100 565
	Correction of "Traffic Fines" control account to Accumulated Surplus till 30 June 2013	38.04 & 8 2 679 410
	Correction of Payables from Exchange transactions to Accumulated Surplus for 2009-2010	38.04 & 8 (147 679)
	Total	27 445 111
38.04	Accumulated Surplus/(Deficit)	
	Balance previously reported	288 044 335
	Correction of "Tender Deposits" control account to Accumulated Surplus for 2001-2012	38.03 229 852
	Correction of Payables from Exchange transactions to Accumulated Surplus for 2009-2010	38.03 147 679
	Correction of "Traffic Fines" control account to Accumulated Surplus till 30 June 2013	38.03 (2 679 410)
	Reverse calculation of cost additions (Provision) as at 30 June 2012	38.05 7 064 563
	Correction on calculation of provision contribution against accumulated surplus as at 30 June 2012	38.05 (2 544 669)
	Reverse calculation of accumulated depreciation as at 30 June 2012	38.06 1 088 885
	Reverse calculation of accumulated impairment as at 30 June 2012	38.06 71 295
	Reverse calculation of cost additions as at 30 June 2012	38.06 (2 505 397)
	Correction on calculation of accumulated depreciation as at 30 June 2012	38.06 (558 028)
	Correction on calculation of accumulated impairment as at 30 June 2012	38.06 (87 617)
	Misstatements in respect of Revenue - Reverse calculation as at 30 June 2012	38.09 (3 419)
	Investment property items with private owners - Reverse calculation of accumulated depreciation as at 30 June 2012	38.08 64 654
	Investment property items with private owners - Reverse calculation of cost as at 30 June 2012	38.08 (387 500)
	Land not recorded in the asset register - Reverse calculation of cost as at 30 June 2012	38.07 731 800
	Sold land displayed as owned by the Municipality on valuation roll - Reverse calculation of cost as at 30 June 2012	38.07 181 400
	Investment property assets with zero cost price - Reverse calculation of accumulated depreciation as at 30 June 2012	38.07 (57 245)
	Investment property assets with zero cost price - Reverse calculation of cost as at 30 June 2012	38.07 5 269 500
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of accumulated depreciation as at 30 June 2012	38.07 176 120
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of cost as at 30 June 2012	38.07 (3 787 475)
	Total	290 459 323

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

38.05	Non-Current Provisions		
	Balance previously reported		5 480 294
	Reclassification of Provision 2013 to Non-Current Provision 2013		1 876 743
	Reverse calculation of additional provision/ finance charges during 2012/13	38.01	(292 474)
	Reverse calculation of cost additions (Provision) as at 30 June 2012	38.04	(7 064 563)
	Correction on calculation of cost against provision as at 30 June 2012	38.06	2 473 403
	Correction on calculation of cost additions against provision during 2012/13	38.06	91 848
	Correction on calculation of provision contribution against accumulated surplus as at 30 June 2012	38.04	2 544 669
	Correction on calculation of provision increase against finance charges during 2012/13	38.01	227 119
	Total		5 337 039
38.06	Capitalised Restoration Cost		
	Balance previously reported		1 249 142
	Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	1 088 885
	Reverse calculation of accumulated impairment as at 30 June 2012	38.04	71 295
	Reverse calculation of cost additions as at 30 June 2012	38.04	(2 505 397)
	Reverse calculation of depreciation during 2012/13	38.01	77 719
	Reverse calculation of impairment during 2012/13	38.01	18 356
	Correction on calculation of accumulated depreciation as at 30 June 2012	38.04	(558 028)
	Correction on calculation of depreciation during 2012/13	38.01	(163 644)
	Correction on calculation of accumulated impairment as at 30 June 2012	38.04	(87 617)
	Correction on calculation of impairment during 2012/13	38.01	(11 216)
	Correction on calculation of cost against provision as at 30 June 2012	38.05	2 473 403
	Correction on calculation of cost additions against provision during 2012/13	38.05	91 848
	Total		1 744 746
38.07	Property, plant and equipment		
	Balance previously reported		362 702 323
	Investment property assets with zero cost price - Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	(57 245)
	Investment property assets with zero cost price - Reverse calculation of cost as at 30 June 2012	38.04	5 269 500
	Investment property assets with zero cost price - Reverse calculation of depreciation for 2012/2013	38.01	(11 449)
	Land not recorded in the asset register - Reverse calculation of cost as at 30 June 2012	38.04	731 800
	Sold land displayed as owned by the Municipality on valuation roll - Reverse calculation of cost as at 30 June 2012	38.04	181 400
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	176 120
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of cost as at 30 June 2012	38.04	(3 787 475)
	Investment property assets duplicated in the property, plant and equipment asset register - Reverse calculation of depreciation for 2012/2013	38.01	34 837
	Total		365 239 812
38.08	Investment property		
	Balance previously reported		9 690 469
	Investment property items with private owners - Reverse calculation of accumulated depreciation as at 30 June 2012	38.04	64 654
	Investment property items with private owners - Reverse calculation of cost as at 30 June 2012	38.04	(387 500)
	Investment property items with private owners - Reverse calculation of depreciation for 2012/2013	38.01	12 917
	Total		9 380 540
38.09	Unpaid Conditional Government Grants and Receipts		
	Balance previously reported		972 569
	Misstatements in respect of Revenue - Reverse calculation as at 30 June 2012	38.04	(3 419)
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Expenses	38.01	(403 936)
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Income	38.01	347 128
	Misstatements in respect of Revenue - Reverse calculation during 2012/13 - Interest	38.01	65
	Total		912 406

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	R	R
39 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus for the year	4 892 553	43 990 639
Adjustments for:		
Depreciation	13 939 463	13 210 087
Amortisation of Intangible Assets	90 620	106 499
(Gain)/Loss on disposal of property, plant and equipment	167 999	85 728
Contributed PPE	(362 938)	(61 092)
Impairments	10 990 011	11 216
Contribution from/to employee benefits - non-current	(1 012 863)	(1 157 994)
Contribution from/to employee benefits - non-current - expenditure incurred	2 988 173	3 035 820
Contribution from/to employee benefits - non-current - actuarial losses	1 679 174	(3 190 937)
Contribution from/to provisions - non-current	339 114	318 967
Contribution to employee benefits - current	4 711 830	4 314 917
Contribution to employee benefits - current - expenditure incurred	(4 426 439)	(3 813 803)
Contribution to provisions - Debt Impairment	27 217 301	8 000 132
Impairment written off	(910 704)	(7 461 979)
(Increase)/Decrease in Capitalised Restoration Cost	(87 835)	(91 848)
Additional debt Impairment transactions	15 131	11 189
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(638 581)	(5 445 813)
Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	139 052	(376 303)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	242 030	(818 782)
Operating lease income accrued	1 813	(286)
Operating lease expenses accrued	-	(547)
Operating Surplus/(Deficit) before changes in working capital	59 974 904	50 665 809
Changes in working capital	(34 358 813)	12 629 540
Increase/(Decrease) in Trade and Other Payables	(810 313)	3 014 892
Increase/(Decrease) in Taxes	(211 777)	2 037 031
(Increase)/Decrease in Inventory	374 453	(85 410)
Increase/(Decrease) in Consumer Deposits	(21 011)	100 147
(Increase)/Decrease in Trade Receivables from exchange transactions	(3 099 137)	(258 321)
(Increase)/Decrease in Other Receivables from non-exchange transactions	(30 591 028)	7 821 202
Cash generated/(absorbed) by operations	25 616 091	63 295 350
40 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 22	9 332 328	16 811 803
Cash Floats - Note 22	12 070	12 330
Bank - Note 22	2 592 738	1 273 546
Bank overdraft - Note 22	-	-
Total cash and cash equivalents	11 937 136	18 097 679
41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 40	11 937 136	18 097 679
Less:	11 937 136	18 097 679
	6 885 736	7 457 172
Unspent Committed Conditional Grants - Note 9	7 135 563	7 774 144
Unspent Public Contribution - Note 10	139 052	-
Unpaid Committed Conditional Grants - Note 9	(670 378)	(912 408)
Staff Leave - Note 7	4 016 026	3 909 245
VAT - Note 11	(3 932 014)	(3 465 238)
Cash Portion of Housing Development Fund - Note 2	197 487	151 429
Net cash resources available for internal distribution	5 051 400	10 640 507
Allocated to:		
Capital Replacement Reserve	4 849 606	4 546 564
Resources available for working capital requirements	201 794	6 093 943

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

42	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION	2014 R	2013 R
	Long-term Liabilities - Note 3	18 078 846	17 512 075
	Used to finance property, plant and equipment - at cost	(18 078 846)	(17 512 075)
		-	-
	Cash set aside for the repayment of long-term liabilities	-	-
	Cash invested for repayment of long-term liabilities	-	-

Annuity loans at amortised cost is calculated at 6.75%-14.00% interest rate, with last maturity date of 31 July 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured.

43	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2014 R	2013 R
43.1	<u>Unauthorised expenditure</u>		
	Reconciliation of unauthorised expenditure:		
	Opening balance	38 748 627	15 898 544
	Unauthorised operating expenditure current year	43 251 373	9 396 141
	Unauthorised capital expenditure current year	3 893 112	13 453 942
	Approved by Council or condoned	(38 748 627)	-
	Transfer to receivables for recovery	-	-
	Unauthorised expenditure awaiting authorisation	47 144 485	38 748 627

Incident	Disciplinary steps/criminal proceedings
Actual vs Budgeted spending	None

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
<u>Unauthorised expenditure current year - operating</u>				
Executive & Council	16 739 693	13 936 025	2 803 668	2 803 668
Budget & Treasury	14 068 931	16 965 051	(2 896 120)	-
Corporate Services	23 664 751	11 231 303	12 433 448	12 433 448
Planning & Development	4 272 629	4 482 828	(210 199)	-
Health	-	-	-	-
Community & Social Services	7 291 310	7 952 416	(661 106)	-
Housing	29 740 897	27 643 467	2 097 430	2 097 430
Public Safety	39 548 184	14 340 355	25 207 829	25 207 829
Sport & Recreation	7 099 273	6 854 420	244 853	244 853
Environmental Protection	-	-	-	-
Waste Management	10 410 973	9 946 828	464 145	464 145
Waste Water Management	5 045 194	5 244 743	(199 549)	-
Road Transport	16 226 826	17 047 780	(820 954)	-
Water	17 759 336	19 449 823	(1 690 487)	-
Electricity	62 365 968	68 783 214	(6 417 246)	-
	254 233 965	223 878 253	30 355 712	43 251 373

	2014 R (Actual)	2014 R (Budget)	2014 R (Variance)	2014 R (Unauthorised)
<u>Unauthorised expenditure current year - capital</u>				
Executive & Council	16 328	-	16 328	16 328
Budget & Treasury	125 437	59 060	66 377	66 377
Corporate Services	328 129	223 500	104 629	104 629
Planning & Development	2 101	-	2 101	2 101
Health	-	-	-	-
Community & Social Services	479 584	175 425	304 159	304 159
Housing	-	358 100	(358 100)	-
Public Safety	635 162	110 600	524 562	524 562
Sport & Recreation	883 176	1 088 174	(204 998)	-
Environmental Protection	-	-	-	-
Waste Management	1 780 136	660 000	1 120 136	1 120 136
Waste Water Management	5 244 949	6 477 310	(1 232 361)	-
Road Transport	6 506 018	9 298 135	(2 792 117)	-
Water	5 111 323	3 356 502	1 754 821	1 754 821
Electricity	9 514 140	12 768 406	(3 254 266)	-
	30 626 480	34 575 212	(3 948 732)	3 893 112

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014 R	2013 R
43	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUED)		
43.2	<u>Fruitless and wasteful expenditure</u>		
	Reconciliation of fruitless and wasteful expenditure:		
	Opening balance	-	-
	Fruitless and wasteful expenditure current year	-	-
	Condoned or written off by Council	-	-
	Transfer to receivables for recovery - not condoned	-	-
	Fruitless and wasteful expenditure awaiting condonement	-	-

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014 R	2013 R
44	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
44.1	<u>Contributions to organised local government - [MFMA 125 (1)(c)] - SALGA CONTRIBUTIONS</u>		
	Opening balance	-	-
	Council subscriptions	627 076	454 552
	Amount paid - current year	(627 076)	(454 552)
	Balance unpaid (included in creditors)	-	-
44.2	<u>Audit fees - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Current year audit fee	1 811 077	1 642 595
	External Audit - Auditor-General	1 811 077	1 642 595
	Amount paid - current year	(1 811 077)	(1 642 595)
	Balance unpaid (included in creditors)	-	-
44.3	<u>VAT - [MFMA 125 (1)(c)]</u>		
	VAT	(3 932 014)	(3 465 238)
	VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		
44.4	<u>PAYE, SDL and UIF - [MFMA 125 (1)(c)]</u>		
	Opening balance	536 345	-
	Current year payroll deductions and Council Contributions	7 430 456	6 559 328
	Amount paid - current year	(7 401 629)	(6 022 983)
	Balance unpaid (included in creditors)	565 172	536 345
44.5	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	12 139 114	11 294 805
	Amount paid - current year	(12 139 114)	(11 294 805)
	Balance unpaid (included in creditors)	-	-
44.6	<u>Councillor's arrear consumer accounts - [MFMA 125 (1)(c)]</u>		
	The following Councillors had arrear accounts for more than 90 days at 30 June 2014 financial year:		
		2014 R Outstanding more than 90 days	2013 R Outstanding more than 90 days
	Councillor L Deyse (510271/000768)	3	4 839
	Councillor G Adolph (021180/032194)	-	3 885
	Councillor M Furmen (023379/023380)	884	3 118
	Councillor R van der Linde (070128/020003)	250	473
	Total Councillor Arrear Consumer Accounts	1 137	12 315
44.7	<u>Quotations awarded - Supply Chain Management</u>		
	Supply Chain Management Implementation Report for the year ended 30 June 2014 and Supply Chain Management Regulation 45 disclosure:		

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1st QUARTER: 01 JULY – 30 SEPTEMBER 2013

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the period 01 July – 30 September 2013.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	24/07/2013 27/08/2013	1504137 15041951	R 88 230.30 R 147 715.50	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Danielle Studiesentrum	08/08/2013	15041667	R62 690.28	❖ Brother Wayne Petersen is currently employed at the Beaufort west Municipality
Karoo Beton werke	28/08/2013	15042001	R5 830.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Wilma's Catering Services	07/08/2013	15041662	R 3 430.00	❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
PJ Plumbing	22/08/2013	15041811	R27 850.00	❖ Mother Mrs E Botha and sister Mrs B Saaiman are employed with the Department of Education.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes”

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council’s notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 02/2014	Supply & delivery of assembled information technology hardware	<ul style="list-style-type: none"> Brilliant Computers Juvinon Systems t/a ISM First Technology Mantella IT support Systems TG Elektries 	<ul style="list-style-type: none"> R 254 649.00 R 212 438.00 R 320 886.06 R 288 186.96 R 70 774.05 	<ul style="list-style-type: none"> Brilliant Computers First Technology Mantella TG Elektries 	Quotation was split between bidders for the most competitive prices.
SCM 03/2014	Maintenance of electrical installation as well as Maintenance of electrical wiring; buildings for a 3 year period	TG Elektries	R 70 774.05	TG Elektries	
SCM 05/2014	Supply and delivery of 2 auto motor type ESA 10 4 phase controllers	<ul style="list-style-type: none"> CS Traffic Engineering & Consulting Services Automotor Traffic Signal Co 	<ul style="list-style-type: none"> R 54 378.00 R 52 982.64 	<ul style="list-style-type: none"> Automotor Traffic signal 	
SCM 14/2013	Supply and delivery of crushed stone products, G5 material and building sand	<ul style="list-style-type: none"> Bathopele traders Volmoed Quarries Van der Berg Vervoer Buffelsdrift Clay Mine Perfecto Builders Transand Duneco 	<ul style="list-style-type: none"> Different Prices 	<ul style="list-style-type: none"> Volmoed Quarries Perfecto Bouers 	
SCM 12/2013	Supply and delivery of Chlorine gas, Aluminium sulphate and water purification lime for 3 year period.	<ul style="list-style-type: none"> Tuschemy CC Onduka Division of Improchem Protea Chemicals Cape Metsi Chem. Ikapa 	<ul style="list-style-type: none"> R53 477.85 R 76 950.00 R97 546.61 R 109 101.40 	Protea Chemicals Cape	
SCM 16/2013	Supply and delivery of bitumen products	<ul style="list-style-type: none"> Bathopele traders Sandobel 165 Volmoed Quarries Buffelsdrift Clay Mine 	Different Prices	Tosas Asphalt King	

		<ul style="list-style-type: none"> ❖ Van der berg ❖ Vervoer ❖ Tosas ❖ Condoprops t/a Asphalt king 			
SCM 17/2013	Construction of a bar counter at the Rustdene Sports Pub	<ul style="list-style-type: none"> ❖ GHF Goldenhuys t/a Mr Fix it 	❖ R 49 424.00	GHF Goldenhuys t/a Mr Fix it	
SCM 04/2014	Supply, Delivery and Installation of under counter pub fridges for the Rustdene Sports Pub	<ul style="list-style-type: none"> ❖ Air Fit Air Conditioning ❖ Buvhezi Trading 1013 	<ul style="list-style-type: none"> ❖ R 37 620.00 (Option 1) ❖ R 38 304.00 (Option 2) ❖ R 394 440.00 	Air Fit Air Conditioning	
SCM 05/2014	Supply and Delivery of Two Auto Motor Type ESA 10 Four Phase Controllers	<ul style="list-style-type: none"> ❖ Auto Motor Traffic Signal ❖ C.S Traffic Engineering & Consulting Services 	<ul style="list-style-type: none"> ❖ R 52 982.64 ❖ R 54 378.00 	Auto Motor Traffic Signal	
SCM 11/2013	Provision of Security services for period of 3 years.	<ul style="list-style-type: none"> ❖ Mavati ❖ Nationwide ❖ African Compass ❖ Mtabati ❖ CT City security ❖ Afri-guard ❖ Makoko ❖ Dee dee 	<ul style="list-style-type: none"> ❖ R 4 524 780.86 ❖ R 45 339.12 ❖ R 3 761 125.92 ❖ R 85 819.64 ❖ R 2 409 840.00 ❖ R 3 275 866.80 ❖ R 3 347 351.28 ❖ R 87 990.40 	Afri-guard	

Addendum 2

APPLICABLE PARAGRAPH IN SCM POLICY		DEVIATIONS APPROVED BY MUNICIPAL MANAGER			
	SOLE SUPPLIER	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)		Actebis 268 CC	R 2,040.60	3/7/2013	Sole supplier to handle hazardous waste.
		Gene Louw Traffic College	R 10,921.90	25/07/2013	Only accredited training college in the Western Cape.
		De Jager Kontrakteurs	R 4,240.80	15/07/2013	Only local supplier to quote for calcrete.
		Karoo Vleisboere Kooperasie	R 2,454.29	23/07/2013	Sole supplier of products in Murraysburg
		Elster Kent Metering	R 92,910.11	30/07/2013	Sole Manufacturer of elster meters and strainers
		Spectrum Communications	R 2,372.34	31/07/2013	Repair telemetry system
		Beaufort Alarms	R 3,458.76	31/07/2013	Repair Alarm Sanlam building
		Sebata	R 509,036.22	9/7/2013	Service provider of financial management system
		Total client service	R 9,091.50	3/7/2013	Provides software for traffic services
		TMS Hasler	R 7,816.00	2/7/2013	Service provider for franking machine procured
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Mini Moulders	R 2,699.50	8/7/2013	Beaufort West Marathon - already has emblem
		Essop Multisave	R 3,237.50	23/07/2013	Beaufort West Marathon -supplier for cooldrinks
		Flotron	R 6,498.00	24/07/2013	Renewal of mycity data services
		Mycad	R 2,250.00	16/07/2013	Detail plans of bar counter at Rustdene Sports pub
		Nedbank running club George	R 2,600.00	10/7/2013	Make use of the timing chip system at the Beaufort West Marathon
		Media 24	R 5,763.06	17/07/2013	Adverts SCM 01/2014 Notice 69/13
		Die Courier	R 6,669.00	9/7/2013	Only newspaper circulating in the central karoo
		George Lawnmowers	R 5,010.30	1/7/2013	Parts only available at agent
		Bwest Precision Engineers	R 17,752.08	12/7/2013	CZ 5726 - Repair engine
			R 2,380.32	17/07/2013	CZ 17798 - Agent for Case tractor-Service engine
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality		R 12,939.00	17/07/2013	Lister Engine Mville - Service engine
			R 5,323.80	17/07/2013	Recondition Compressor
		Tata Worcester	R 5,235.40	17/07/2013	CZ 16710 - Service, parts available at agents.
		Cape Mowers	R 2,692.32	17/07/2013	Agent - Pto shaft - Roughcutter.
		24/7 Tyres & fitment	R 5,000.00	11/7/2013	CZ 7796 - Towing services from Murraysburg to Beaufort West
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.				

APPLICABLE PARAGRAPH IN SCM POLICY		DEVIATIONS APPROVED BY MUNICIPAL MANAGER			
		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Brandkraal Boerdery	R 29,925.00	12/8/2013	Closed up landfill site-health risk for community-Warning letter issued by Department of Environment Affairs
(b)	SOLE SUPPLIER	Valsta's Transport	R 36,300.00	28/08/2013	Unblock sewerage lines-health risk to community
		B&B Sweiswerke	R 2,250.00	26/08/2013	Sole supplier that can pull borehole pumps
		Penny Pinchers	R 25,815.15	28/08/2013	Sole supplier of materials in town
		Karoo Vleisboere Kooperasie	R 2,454.29	23/08/2013	Only supplier in Murraysburg that can provide goods
		Teleray	R 9,690.00	26/08/2013	Only supplier that can service TV Tower in Murraysburg
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	TMS Hasler	R 6,400.00	21/08/2013	Service provider for a franking machine procured
		Ignite Advisory Services	R 81,573.84	8/8/2013	Service provider of performance management software
		SM Consultants	R 12,431.70	6/8/2013	Service provider for the distribution of traffic summonses
		E & D Catering	R 2,900.00	13/08/2013	Women's day function - deliver dessert & cutlery
		Skuza Caterers	R 2,500.00	23/08/2013	Catering for Madiba day for 150 people in Murraysburg
		Proudly Karoo	R 3,600.00	8/8/2013	Women's day function - supply gifts
		Essops Multisave	R 2,497.71	8/8/2013	Supplied refreshments for women's day function
		Nyala Communications	R 3,499.00	6/8/2013	The only service provider for internet services
		Centracell	R 9,186.04	6/8/2013	Saving cost on telephone system
		Media 24	R 5,763.06	22/08/2013	SCM 06/2014 Notice no 85/2013: Office automation equipment
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 17,955.01	2/8/2013	Only newspaper circulating in the central karoo
			R 7,511.18	29/08/2013	
			R 5,174.41	29/08/2013	
			R 6,852.83	2/8/2013	
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Daniela De Kock	R 15,340.00	7/8/2013	Functional capacity evaluations for 16 employees
		Tamryn Olivier	R 15,340.00	2/8/2013	
		Dr Riel Hugo	R 18,062.40	29/08/2013	Assessment of MM position

		Danielle Studiestesetrum	R 62,690.28	8/8/2013	Reconciliations of stores, creditors, asset register & c schedule
		Ignite Advisory Services	R 78,660.00	22/08/2013	Compilation & implementation of a compliance register
		Jupiter Towing	R 10,668.00	6/8/2013	CZ 4032 - Tow in truck and repair
		24/7 Tyres & Fitment	R 5,760.00	6/8/2013	CZ 5291 CAT - Remove and refit diff of digger loader
		Dougie's Gearbox Centre	R 5,000.00	21/08/2013	Transport trailer from Murraysburg to Beaufort West
		George Lawnmowers	R 25,080.00	29/08/2013	Repair of diff of digger loader-CZ 5291
		Barloworld Equipment	R 2,779.70	6/8/2013	Repair grasscutter
		Bwest Precision Motor engineers	R 5,079.52	1/8/2013	CZ 5169 TLB - Parts only available at agent
			R 9,331.95	21/08/2013	CZ 5169 - Vehicle is under guarantee & service vehicle
			R 31,794.00	8/8/2013	CZ 5401 - Overall engine - sole supplier in bwest
			R 3,874.86	8/8/2013	Tar cutter repair specialized works
			R 32,574.36	22/08/2013	CZ 10084 - sole supplier that can repair vehicle
			R 42,762.54	29/08/2013	CZ 17137 - Faulty engine, sole supplier that can fix engine
			R 39,878.34	29/08/2013	CZ 7775 - Repair engine, sole supplier that can fix engine
		The workshop	R 2,989.00	12/8/2013	CZ 6815 - Repairs done, sole supplier
			R 2,520.00	12/8/2013	CZ 16710-Repairs on vehicle
		Karoo Lugreeling en Verkoeling	R 2,850.00	15/08/2013	Repairs to air conditioner at Kwa-Mandlenkosi office
		PG Glass	R 2,500.00	16/08/2013	Repairs to air conditioner at the Mayor's office
		Ian Dickie	R 2,500.00	22/08/2013	CZ 4118 - Repair the window
			R 4,647.78	21/08/2013	Repair water works pump
			R 4,480.20	21/08/2013	
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.				

APPLICABLE PARAGRAPH IN SCM POLICY		DEVIATIONS APPROVED BY MUNICIPAL MANAGER			
(a)	EMERGENCY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	SOLE SUPPLIER	PG Glass	R 2,500.00	11/9/2013	Access payment for insurance claim for replacement of window
			R 8,268.99	5/9/2013	
		Penny Pinchers	R 14,296.21	4/9/2013	Sole supplier of stock in Beaufort west
		Flotron	R 18,438.36	4/9/2013	Sole supplier to do repairs
		Elster Kent Metering	R 223,440.23	3/9/2013	Sole Manufacturer of elster meters & strainers
		Barloworld Equipment	R 152,446.92	27/09/2013	Sole supplier for this type of work
		Momar	R 13,327.97	16/09/2013	Sole manufacturer of chemicals used to clean electrical cables
		De Jagers Loodgieters	R 2,600.25	20/09/2013	Sole supplier of stock to repair the swimming pool in Nelspoort
		Conchem saligna	R 2,039.41	18/09/2013	Sole supplier of insect killer to fumigate houses
			R 43,350.00	9/9/2013	
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	SM Consultants	R 54,450.00	19/09/2013	Service provider for the distribution of traffic summonses
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Garden route Mosselbay Abraham Kiewitz Attorneys Ignite Advisory Services JR Nieuwenhuizen	R 1,049.00 R 34,200.00 R 35,060.70 R 2,337.57	2/9/2013 16/09/2013 9/9/2013 6/9/2013	MGRO meeting held at Garden route casino & Hotel The council needed a legal opinion Drafting of annual performance report Only service provider locally for balju services
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Victor se garage	R 6,733.05	9/9/2013	CZ 15569 - Sole supplier in Merweville that can do repairs
		24/7 Tyres & Fitment	R 10,000.00	9/9/2013	CBT 256 - Towing services on trailer from Murraysburg
			R 10,000.00	4/9/2013	CZ 7775 - Towing services on tractor from Beaufort west
		600 CT Manufacturing	R 2,980.87	6/9/2013	CZ 2954 - Outrigger lock assembly
		George Lawnmowers	R 5,554.08	6/9/2013	Repair generator Honda
			R 5,755.04	19/09/2013	Compactor - repair engine
			R 4,959.24	19/09/2013	Tricycle lawnmower - repairs
		Denver	R 17,649.58	16/09/2013	CZ 6542 - Repairs
		Tata Worcester	R 3,017.10	18/09/2013	CZ 16710 - Murraysburg- Clutch kit parts available at ag
		Purple rose distributors	R 4,060.52	18/09/2013	Groot Bomag 90 - Service kits
			R 8,491.85	18/09/2013	Klein bomag 65 - Service kits

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 2nd QUARTER: 01 OCTOBER – 31 DECEMBER 2013

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the period 01 October – 31 December 2013.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	29/10/2013 01/10/2013 02/12/2013	15043274 15042776 15044198	R 13 1402.10 R 10 9204.38 R 69 260.70	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Van Niekerk Prokureurs	10/10/2013	15042935	R 2 789.51	❖ Husband Mr F Van Niekerk is currently employed at the Department of Education
Karoo Beton werke	29/10/2013 01/10/2013 02/12/2013	15043276 15042782 15044229	R6 130 .00 R10 688.00 R 4 700.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Sonneblom Bloemiste	18/10/2013 18/11/2013 17/12/2013	15043041 15043788 15044559	R 3 000.00 R 3 500.00 R 7 600.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.
PJ Sound & Vision	07/11/2013	15043680	R5750.00	❖ Son, Mr PJ Julies is employed as vehicle inspection and traffic officer at Beaufort West Municipality
Chalmers	18/11/2013	15043790	R 3 000.00	❖ Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Karoo Drukkery	02/12/2013	15044199	R 3 345.90	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Beaufort West	17/12/2013	15044560	R 37 400.00	❖ Son, Warren Johnson is

Luxury Coaches				employed at the Beaufort West Municipality.
General Shine Catering	17/12/2013	15044558	R 26 000.00	❖ Spouse, Mr. F Diedericks is employed by Department of Community Safety as a traffic officer.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 01/2014	Supply & installation of mechanical & electrical equipment for the upgrading of the boreholes supplying water to Murraysburg	<ul style="list-style-type: none"> ❖ Hidro-Tech systems ❖ De Jagers Loodgieters Kontrakteurs 	<ul style="list-style-type: none"> ❖ R2 776 618.09 ❖ R2 212 152.56 	<ul style="list-style-type: none"> ❖ De Jagers Loodgieters Kontrakteurs 	<ul style="list-style-type: none"> ❖ The tender amount be adjusted to ensure that its within the available budget of R1 246 155.00 incl VAT
SCM 06/2014	Supply, Delivery, Installation and financing of office automation equipment for 3 years.	<ul style="list-style-type: none"> ❖ Satinsky 171 t/a Ricoh Garden Route ❖ Zestirox ❖ Smart Office Service ❖ Page Automation ❖ Southern Cape ❖ Business Systems ❖ Seartec Trading ❖ Konica Minolta 	<ul style="list-style-type: none"> ❖ R225 422.80 ❖ R272 670.37 ❖ R309 196.96 ❖ R491 400.00 ❖ R795 386.05 ❖ Different Prices ❖ Different Prices 	<ul style="list-style-type: none"> ❖ Ricoh Garden Route ❖ Konica Minolta 	
SCM 07/2014	Supply and Delivery of Refuse Bins	<ul style="list-style-type: none"> ❖ Invusa Business Service ❖ Phambili 	<ul style="list-style-type: none"> ❖ R116 850.00 ❖ R135 471.90 	<ul style="list-style-type: none"> ❖ Invusa Business Service 	
SCM 10/2014	Supply, Delivery, Installation and Maintenance of tag surveillance system	<ul style="list-style-type: none"> ❖ Bell Oak Investment ❖ CSX Customer Service 	<ul style="list-style-type: none"> ❖ R103 922.10 ❖ R130 159.50 	<ul style="list-style-type: none"> ❖ Bell Oak Investment 	
Tender 60/2011	Transversal Agreement-Mosselbay Municipality-Appointment of Consulting Engineers for Various Projects	<ul style="list-style-type: none"> ❖ Makukhane Consulting Engineers 	<ul style="list-style-type: none"> ❖ R 1 200 000.00 	<ul style="list-style-type: none"> ❖ Makukhane Consulting Engineers 	
SCM 14/2014	Contract for the Upgrading of Ebenezer Street	<ul style="list-style-type: none"> ❖ Trucon ❖ De Jagers Loodgieters ❖ ATN Roadmarking & Civils 	<ul style="list-style-type: none"> ❖ R 3 568 729.99 ❖ R 3 801 091.46 ❖ R 4 158 442.34 	<ul style="list-style-type: none"> ❖ Trucon 	

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER OCTOBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Workshop Electronics	R 76,470.80	25/10/2013	Repair brake roller testing machine at the Vehicle testing station
(b)	SOLE SUPPLIER	E Esterhuizen	R 21,090.00	1/10/2013	Only available supplier for the transportation of grader
			R 51,984.00	1/10/2013	Only available supplier that has a grader for hire
			R 5,700.00	21/10/2013	
		National Computer College	R 2,600.00	21/10/2013	Only local supplier in town that can offer the courses
					Only locally service provider to service fire extinguishers
		Karoo Fire	R 2,670.00	15/10/2013	
		Beaufort Alarms	R 5,181.30	21/10/2013	Install alarm system at Hoenderplaas - Vaalkoppies
		Jirah Construction	R 5,300.00	1/10/2013	Camera survey of pipes
		Karoo vleisboere Kooperasie	R 2,441.32	1/10/2013	
		Wurth	R 7,215.60	25/10/2013	Sole supplier in Murraysburg to supply stock
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Afrox	R 3,057.01	28/10/2013	Manufacturer of Wurth products.
					Sole manufacturer of the oxygen and acetylene products
		Karoo Betonwerke	R 2,130.00	3/10/2013	
			R 3,150.00	3/10/2013	
			R 6,130.00	3/10/2013	
			R 3,900.00	3/10/2013	Sole local manufacturer of concrete products in Beaufort West
			R 2,280.00	3/10/2013	Repair air conditioners at the Municipal offices in Merweville
		B-wes Lugreeling & verkoeling	R 3,576.75	28/10/2013	Test and repair air conditioner at Payroll unit.
		Piet chops slaghuys	R 3,690.00	10/10/2013	Catering for youth in local government development
		Sonneblom Bloemiste	R 3,000.00	10/10/2013	Decorate pub for Youth in local government development
		FG Uniforms	R 27,120.26	4/10/2013	Only supplier with available stock on hand
		Charlmers Transport	R 3,740.00	7/10/2013	Available supplier for transportation of people to Oudtshoorn
		Hue-Tone	R 2,673.20	22/10/2013	Only two service providers that could provide quotes for bar codes
		Youngs Halfway House	R 10,200.00	23/10/2013	Mayoral Golf day - bookings for golfers

		TMS Hasler	R 6,400.00	11/10/2013	Service provider for a franking machine procured
		Total Client Service	R 9,091.50	21/10/2013	Provides software for traffic services
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 5,763.06	26/10/2013	SCM 14/2014 Notice no 104/2013 Advert Ebenezer Street
			R 5,763.06	26/10/2013	SCM 12/2014 Notice no 103/2013 Advert High mast lights
			R 7,664.58	29/10/2013	SCM 13/2014 Notice no 106/2013 Bulk water supply Nelspoort
			R 5,763.06	30/10/2013	SCM 08/2014 Notice no 107/2013 Housing projects
		Die Courier	R 6,444.43	29/10/2013	
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Chris Swartz Engineering	R 21,113.10	02/10/201	Only newspaper circulating in the Central Karoo
		Lombard en Kriek	R 19,950.00	21/10/2013	Prepare Beaufort West Municipality for the blue drop assessment
		Crawfords Attorneys	R 39,308.06	17/10/2013	SALA - pension fund payments
			R 32,490.00	22/10/2013	Legal opinion - councilors remuneration
			R 17,559.42	15/10/2013	SALA - pension fund payments
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Mega Roller Shutter Doors	R 11,925.00	8/10/2013	Repair roller doors at the Murraysburg Stores
		Beaufort West Toyota	R 2,161.91	15/10/2013	CZ 10707 - Agent to service Avanza
		Beaufort West Lugreeling & verkoeling	R 2,280.00	3/10/2013	Repair air conditioners at the Municipal offices in Merweville
		All Access	R 3,576.75	28/10/2013	Test and repair air conditioner at Payroll unit.
		Beaufort West Precision Motor Engineers	R 16,368.99	15/10/2013	Collect nifty 120T & transport to Cape Town for repairs
			R 9,970.44	25/10/2013	CZ 4574 - Repairs & service & fit new parts of tractor
			R 2,523.96	25/10/2013	Bomag roller - Remove & fit new broken bolts & timing belt
			R 2,040.60	25/10/2013	Bomag roller - Remove & replace diesel pump & injector

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR NOVEMBER				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b) SOLE SUPPLIER	Elster Kent Metering	R 53,352.68	8/11/2013	Sole manufacturer of Elster meters and strainers
	CTS Beaufort -West	R 3,420.00	13/11/2013	Loading & unloading of concrete slabs at the pump stations
	Integrity control systems	R 6,549.30	11/11/2013	Manufacturer of the security seals
	Landis + Gyr	R 36,138.00		
		R 42,978.00	11/11/2013	Manufacturer of the electricity meters
	Actebis 268 CC	R 7,991.40	8/11/2013	
		R 2,166.00	8/11/2013	Handle hazardous waste & have a permit to expose of it.
	E Esterhuizen	R 2,600.00	5/11/2013	Only local supplier that can supply red base course
				Only service provider locally to supply & service fire extinguishers
	Karoo Fire	R 2,472.00	15/11/2013	
	De Jager Loodgieters	R 2,000.00	13/11/2013	Only local supplier that can supply calcrete
	Karoo Vleisboere Koop	R 5,054.05	1/11/2013	Sole supplier in Murraysburg
	Pressure Sealers	R 4,400.00	7/11/2013	Preventative maintenance service & check settings
	PJ Sounds	R 5,750.00	7/11/2013	Mayoral golf day sound, stage & photography.
(d) Any exceptional case where it is impractical or impossible to follow the official procurement processes	Best Home & Electric	R 11,697.78	11/11/2013	Mayoral golf day, presents for award ceremony
	Ultra Liquors	R 2,533.85	15/11/2013	Youth in local government function
				Only locally service provider to provide the needed goods
	Nuweveld Chemist	R 3,217.30	25/11/2013	Safety inspection and load testing equipment locally
	Hoistec Engineering	R 17,498.64	25/11/2013	
	Pentocostal Unity Mission Church	R 7,500.00	13/11/2013	
	New Fountain Ministries	R 5,500.00	13/11/2013	Indigent applications must be renewed every 6 months
		R 41,850.00	20/11/2013	
	SM Consultants	R 46,050.00	20/11/2013	Service provider for the distribution of traffic summonses
	TMS Hasler	R 6,400.00	25/11/2013	Service provider for franking machine procured
	Nyala Communications	R 3,499.00	5/11/2013	The only service provider for internet services
	Total Client Service	R 9,091.50	4/11/2013	Provides software for traffic services
	Juta & Co	R 3,041.00	5/11/2013	Updated legislation books

(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6,845.47	23/11/2013	No nr 110/2013, Registration of Suppliers
(d)(ii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 53,760.00	1/11/2013	Prodiba is a government preferred service provider
(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000.	Crawfords Attorneys	R 112,446.15	29/11/2013	Local official law practitioner handling the transportations
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Transtech	R 32,448.00	4/11/2013	CZ 5234 - Sort out problems with hydraulic system
		George Lawnmowers	R 3,735.21	4/11/2013	Parts for lawnmower repairs
		Flo specialized product solutions	R 3,224.55	4/11/2013	Repairs on tricycle lawnmower
			R 8,322.00	5/11/2013	Faulty VEGA 76 power analyzer send for testing & repairs
		Cape Mowers CC	R 2,713.43	26/11/2013	Torro Ruffcutter - Agent-Supply bearings
		Barloworld Equipment	R 6,643.75	4/11/2013	CZ 7713 - Supply new water pump
			R 2,643.07	26/11/2013	
			R 10,903.88	26/11/2013	CZ 5169 - TLB Service and repair faults

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR DECEMBER				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a) Emergency	De Jagers Loodgieters	R 2,190.75	13/12/2013	Supply and repair of valves
(b) Sole Supplier	W.M Van Der Heever	R 2,850.00	13/12/2013	Only local land surveyor supplier
(d) Any exceptional case where it is impractical or impossible to follow the official procurement processes	Beaufort Alarms	R 20,477.00		Installation of new alarm system at SAFA buildings
	BKB	R 4,230.54	2/12/2013	Replacement of alarm system in Murraysburg
		R 3,140.70	02/12/2013	Only BKB locally can supply us on account for Ammonium Sulphate and 2.3.2 fertilizer
	October Sky	R 5,476.22	02/12/2013	The only firm that replied to request for quotation for full beehive suite
	Ultra Liquors	R 2,719.80	06/12/2013	Purchase of refreshments for year function on 06 December 2013
	KFC	R 3,059.00	19/12/2013	The only locally supplier that is willing to provide on short notice.
		R 2,224.80		
	Penny Pinchers	R 12,382.60	30/12/2013	The only locally supplier that provide the necessary material
	Forms Media Independent	R 7,860.30	2/12/2013	Specialized printing works for traffic summonses used with TCS software
	Avbob	R 2,480.00	2/12/2013	Financial assistance with pauper burial of disadvantage family
	City Lodge Hotel	R 2,565.40	3/12/2013	Nearest accommodation available to venue
	Beaufort West Luxury Coaches	R 37,400.00	11/12/2013	The only available supplier who could provide service on required time for memorial service of Nelson Mandela
	Total Client Service	R 9,091.50	27/12/2013	Provides software for traffic services
	Centracell	6186.83	10/12/2013	Saving cost on telephone system
	Sonneblom Bloemiste	R 7,600.00	12/12/2013	The only available supplier who could provide service on required time for memorial service of Nelson Mandela
		R 28,575.15	11/12/2013	The only supplier, who was willing to assist the Municipality with goods on credit.
	Essop Multisave	R 4,036.42	11/11/2013	Goods for Mayoral golf day 9/11/2013. The supplier provide goods on credit
		R 27,826.85	30/12/2013	
(d)(i) Any contract relating to the publication of notices and advertisements by the municipality	Die Courier			Only newspaper circulating in the Central Karoo

(d)(v)	The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Danielle Studie Sentrum	R 25,450.64	4/12/2013	Professional services for the reconciliations of creditors and stores
		S.B Naidoo	R 14,953.60	11/12/2013	Only service provider locally for baiju services
		Crawfords Attorneys	R 11,083.50	9/12/2013	Local official law practitioner handling the transportations
		TFM Transtech	R 6,602.67	10/12/2013	CZ 3484 Repairs -Nissan Compactor- Community service, the supplier is the agent
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	The Workshop	R 2,500.00	27/12/2013	Repair of vehicle CZ16710
			R 2,500.00		Repair clutch CZ 7775
		All Access	R 28,991.98	10/12/2013	
					CZ 4930-Cherry Picker-Specialized repair works

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 3rd QUARTER: 01 JANUARY – 31 MARCH 2014

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the period 01 January – 31 March 2014.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Karoo Motors Werkswinkel	29/01/2014 31/03/2014	15045648 15047342	R 71 497.38 R 95 362.14	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health Services
Karoo Beton werke	30/01/2014 26/02/2014	15045644	R 4 140.00 R 6 156.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Van Niekerk Prokureurs	03/03/2014	15046606	R 3 088.87	❖ Husband Mr F Van Niekerk is currently employed at the Department of Education
PJ Sound & Vision	26/03/2014	15047122	R 50 000.00	❖ Son, Mr PJ Julies is employed as vehicle inspection and traffic officer at Beaufort West Municipality.
B Chalmers	20/03/2014	15046936	R 46 500.00	❖ Spouse, Mr. M. Chalmers employed with the Department of Correctional Services as Corrections Officer.
Karoo Drukkery	31/03/2014	15047344	R 2 491.40	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Beaufort West Luxury Coaches	26/03/2014	15047109	R 50 940.00	❖ Son, Warren Johnson is employed at the Beaufort West Municipality. Daughter in law, B Johnson is employed as a traffic officer at Department of Community

Wilma's Catering Services	26/03/2014	15047103	R 35 000.00	Safety. ❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
Avril's Catering	25/03/2014	15047073	R 2 400.00	❖ Daughter, Me. M Johnson employed with the Department of Correctional Services.
Sonneblom Bloemiste	20/03/2014	15046934	R 9 000.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.

1. Prohibitions on awards to persons in the service of the state

In terms of the Municipal Supply Chain Management Regulations, Paragraph 44, the supply chain management policy of a municipality must, irrespective of procurement process followed, state that the municipality may not make any award to a person:

- (a) Who is in the service of the state

With the searches conducted via Trans Union to check whether supplier registered suppliers on Council's Preferred Suppliers Database is not in the service of the state, it was brought to our attention that one of non-executive directors is the service of the state. We request that Council condone this expenditure of Afrox.

Following please find the particulars of awards to persons that are in the service of the state:

Afrox	10/02/14		R 5 8474.00	Dr KDK Mokhele is an independent non-executive Director of Afrox. Board member, is currently employed at the National Department of Science and Technology.
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3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations and Minor Breaches approved by the Accounting Officer as Addendum 2.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 12/2014	Supply, delivery and Installation of 30m high masts & 20m scissor masts complete with floodlighting for Beaufort West Municipality.	<ul style="list-style-type: none"> ❖ EMC Electrical Reticulation ❖ Sisindisiwe Electrical JV ❖ Lethando Eng JV Ingomso ❖ MDL Electrical ❖ Maritz Electrical ❖ Kontrei Elektries ❖ Adenco Construction 	<ul style="list-style-type: none"> ❖ R2 826 402.50 ❖ R2 834 450.18 ❖ R2 739 914.89 ❖ R2 147 112.60 ❖ R2 439 460.12 ❖ R2 448 743.35 ❖ R2 257 529.28 	<ul style="list-style-type: none"> ❖ Adenco Construction 	
SCM 14/2014	Nominated Sub-contractors Upgrading of Ebenezer Avenue	<ul style="list-style-type: none"> ❖ Rwicila Construction ❖ ELizar Ondernemings ❖ Cheslyn Transport ❖ Inyameko Trading 445 ❖ Komsaam General Construction ❖ JMG Solutions ❖ WM Workers ❖ CXM & JGS Projects ❖ Masipilisane Civils ❖ JD Konstruksie Bwes ❖ Michelle & Idene ❖ Construction Inv ❖ Sincede General ❖ Workers Construct ❖ Share-a-deal 184 	<ul style="list-style-type: none"> ❖ 283 420.00 	<ul style="list-style-type: none"> ❖ Inyameko Trading 445 	
SCM 11/2014	Request for proposals: Provision of comprehensive Banking services	<ul style="list-style-type: none"> ❖ Standard Bank ❖ Absa Bank ❖ First National Bank ❖ Ned bank 	<ul style="list-style-type: none"> ❖ 693 811.80 ❖ 565450.56 ❖ 708 899.40 ❖ 504 885.60 	<ul style="list-style-type: none"> ❖ Nedbank 	
SCM 13/2014	Construction of the bulk water supply Nelspoort	<ul style="list-style-type: none"> ❖ De Jager Loodgieter ❖ Move it Civils 	<ul style="list-style-type: none"> ❖ 1 550 204.83 ❖ 1 835 267.25 	<ul style="list-style-type: none"> ❖ De Jager Loodgieter 	

		<ul style="list-style-type: none"> ❖ A2 Loodgieter ❖ Silyahlongana ❖ Funda Civils CC ❖ C.A.L Construction ❖ ATN Roadmarking & Civils ❖ Africa Creek Investment (Pty) Ltd 	<ul style="list-style-type: none"> ❖ 1 838 376.05 ❖ 2 351 428.82 ❖ 3 041 523.70 ❖ 3 492 304.70 ❖ 4 286 655.10 ❖ The service provider is responsible for the securing funds 	Contractors	
CKDM 14-2013/14	Transversal Agreement: Tender: CKDM 14-2013/14 Skills Development And Securing Of Funds				

Addendum 2

DEVIATIONS APPROVED BY MUNICIPAL MANAGER				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a) Emergency	Art-Work welding	R 4,000.00	30/01/2014	Fire services new office was broken into by removing security gate.
(b) Sole Supplier	Elster Kent Metering	R 10,545.00	30/01/2014	Sole manufacturer of Elster metering and strainers
	Karoo Beton werke	R 4,140.00	30/01/2014	Only local manufacturer of concrete products.
(d) Any exceptional case where it is impractical or impossible to follow the official procurement processes	Booyens Funerals	R 4,254.00	27/01/2014	Financial constraints of family, request assistance.
	TMS Hasler	R 6,400.00	07/01/2014	Service provider for franking machine procured
	Bell Oak Investments	R 44,095.20	09/01/2014	Procure tag labels for tag surveillance system from successful bidder
	SM Consultants	R 25,800.00	13/01/2014	Service provider for the distribution of traffic summonses
		R 20,250.00	29/01/2014	Nov & Dec 13
	Nyala Communications	R 3,499.00	31/01/2014	The only service provider for internet services
(d)(i) Any contract relating to the publication of notices and advertisements by the municipality	B&B Sweiswerke	R 2,800.00	14/01/2014	Pull and release of borehole pump on Chicken farm
	BKB	R 5,088.60	20/01/2014	Only Local supplier of ammonium sulphate and growth salt.
	Asia	R 6,137.20	31/01/2014	Repair damaged house erf 9747, damaged by vehicle
		R 5,400.00	15/01/2014	Only service provider locally to supply & service fire extinguishers
	Karoo Fire	R 3,750.00	29/01/2014	Repair alarm system at Rustdene office where burglary took place.
	Beaufort Alarms	R 4,326.30	03/01/2014	Only available supplier with specific tiles for the VIP lounge.
(d)(i) Any contract relating to the publication of notices and advertisements by the municipality	CTM	R 4,428.35	17/01/2014	Printing of vehicle logbooks books for workshop
	Die Courier	R 2,104.38	30/12/2013	Performance Management Service Provider
	Ignite Advisory Services	R 17,460.81	09/01/2014	
(d)(i) Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 3,351.60	30/01/2014	
(d)(v) / The appointment of any person to provide professional services where the value of such appointment is less than R200 000	Danielle Studie Sentrum	R 25,450.64	21/01/2014	Only newspaper circulating in the Central Karoo
	Marais Muller Yekiso Attorneys	R 49 413.30	29/01/2014	Professional services for the reconciliations of creditors and stores
	Crawford's Attorneys	R 13,110.00	27/01/2014	Legal advice w.r.t Afri-forum Local official law practitioner handling the transportations

			R 5,848.20	09/01/2014	Legal advice on performance contract of Municipal Manager
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Beaufort West Precision Motor eng	R 2,268.60	29/01/2014	CZ 3484 - Sole supplier in Town that van repair vehicle
		All Access	R 3,432.83	29/01/2014	CZ 4930 - Repairs to cherry picker

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
(b)	Sole Supplier				
	Elster Kent Metering	R 5,529.00	10/2/2014	Sole manufacturer of Elster meters and strainers	
	Karoo Vleisboere Kooperasie	R 17,099.65	21/02/2014	Sole supplier of goods in Murraysburg Sole local supplier of calcrete	
	De Jager Loodgieters	R 2,280.00	17/02/2014		
	Karoo Betonwerke	R 6,156.00	26/02/2014	Sole local supplier of piramides.	
	Penny Pinchers	R 8,877.18	20/02/2014	Sole locally supplier that can supply stock	
	BKB	R 8,229.30	19/02/2014	Sole local supplier of ammonium sulphate and growth salt	
(d)	B&B Sweiswerke	R 3,145.00	7/2/2014	Pull and drop borehole at Small Hansrivier	
	Lithotech	R 24,168.00	4/2/2014	Specialized printing works for municipal accounts	
	Isak Goeleman	R 2,000.00	6/2/2014	Families request financial assistance from Municipality	
	Proudly Karoo	R 4,980.00	20/02/2014	Visibility t-shirt with branding for swimming pool officials	
	Makkhukane Consulting	R 8,205.67	26/02/2014	Installation of pre-paid meters in Murraysburg	
	Ubertech	R 98,564.40	1/2/2014	Contracted i.t.o a service level agreement to provide IT support.	
	Pressure Sealers Media 24	R 4,100.00 R 6,160.79	4/2/2014 19/02/2014	Preventative maintenance service and check settings	
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality				
(d)(vi)	ad-hoc repairs to plant and	George Lawnmowers	R 7,112.25	3/2/2014	Advertisement in Die Burger for Notice no.17/2014 Tri-cycle lawnmower, do repairs

	equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Bwes precision motor eng	R 11,868.00	11/2/2014	Hyundai- overall engine and specialized services
		Wurth	R 47,225.30	26/02/2014	Sole supplier and importer of these products

APPLICABLE PARAGRAPH IN SCM POLICY		DEVIATIONS APPROVED BY MUNICIPAL MANAGER			
(a)	Emergency	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier	WCC Cables	R 182,379.36	17/03/2014	The overhead power lines was stolen and urgent repairs were necessary
		Bafana Bafana Elektrics	R 97,384.52	31/03/2014	Restring of lines to pumps
		Penny Pinchers	R 12,412.77	3/3/2014	Sole local supplier that can supply stock otherwise transportations costs would have been paid if supplied outside Beaufort west
		Drager	R 12,451.08	31/03/2014	Sole supplier of drager alcohol tester equipment in the Western Cape
		Hazard Bonaka	R 18,462.10	31/03/2014	Only supplier with stock to provide quotation for Sirens and emergency lights
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	B&B Sweiswerke	R 2,920.00	19/03/2014	Pull down bore hole at Hansrivier
		E Esterhuizen	R 10,260.00	3/3/2014	Only available contractor with grader to repair access road to Katjieskop Substation for the minister of Energy
		Beaufort Alarms	R 3,021.00	18/03/2014	Sole service provider locally to monitor the existing alarm system
		Bwest Luxury Coaches	R 50,940.00	12/3/2014	Transport people from district for minister's substation launch at Katjieskop
		Waltons	R 9,066.60	31/03/2014	Transportation of 310 beneficiaries from their wards to Thusong Centre
		Q's Projects	R 11,700.00	10/3/2014	Only supplier that responded to request for quotation
		Conchem saligna	R 2,039.41	13/03/2014	Catering on short notice for training at Weighbridge
		ASLA	R 6,996.40	5/3/2014	Only service provider that supply the poison
		Henchem	R 24,794.20	26/03/2014	The house is a ASLA construction house and must be repaired
		Youngs Halfway House	R 15,000.00	25/03/2014	Request to provide Orbit outpace super & orbit 200gr
		Centracell	R 5,677.55	31/03/2014	Only service provide that provided a quotation Saving cost on telephone system
		Ignite Advisory	R 60,348.18	7/3/2014	Performance Management Service Provider

	Services				
	Die Courier	R 3,505.50	3/3/2014	Cheapest supplier of funeral books	
	SM Consultants	R 16,350.00	18/03/2014	Service provider for the distribution of traffic summonses	
	Nyala Communications	R 3,499.00	31/03/2014	The only service provider for internet services	
(d)(v)	Danielle Studiensentrum	R 76,551.14	3/3/2014	Reconcile the creditors and stores, it was not practical to obtain other quotations due to time constraints.	
	Crawfords Attorneys	R 4,560.00	5/3/2014	Local official law practitioner handling the transportations	
	S.B Naidoo	R 4,738.98	5/3/2014	Only service provider locally for bailju services	
(d)(i)	Die Courier	R 27,826.85	31/03/2014		
(d)(vi)	B&B Sweiswerke	R 24,300.00	6/3/2014	Only newspaper circulating in the Central Karoo	
	Tricom Africa	R 2,206.00	12/3/2014	CZ 4118 - Replacement of wear bars on refuse truck	
	Sprinter Zone	R 5,802.60	18/03/2014	Sole supplier to supply spare parts for spilhaus pump	
	Hilbert	R 19,546.00	25/03/2014	CZ 10707- Tow in from Beaufort to Parow, attend to clutch	
				Test and repair repeaters and antennae of hand radios	

SUPPLY CHAIN MANAGEMENT QUARTERLY IMPLEMENTATION REPORT: 01 APRIL – 30 JUNE 2014

In terms of paragraph 1.9 of Council's Supply Chain Management Policy, the Accounting Officer must submit a report on the implementation of the policy to the Executive Mayor, within 10 days after the end of each quarter.

Council has resolved that the Implementation Report must be submitted monthly in order to ensure effective oversight as prescribed in the policy.

1. Bids Awarded By The Bid Adjudication Committee

Attached please find as Addendum 1 the report for the quarter of 01 April to 30 June 2014.

2. Awards to Close Family Members of Persons in the Service of the State

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000 should be disclosed in the notes to the Annual Financial Statements.

Business	Date	Invoice	Amount	Interest
Wilma's Catering Services	09/04/2014	15047629	R 4 000.00	❖ Brother currently employed as a Councilor at the Beaufort West Municipality.
PJ Sound & Vision	17/04/2014 03/04/2014	15047554 15047805	R 3 700.00 R 10 000.00	❖ Son, Mr PJ Julies is employed as vehicle inspection and traffic officer at Beaufort West Municipality.
Van Niekerk Prokureurs	01/04/2014 16/05/2014	15047440 15048541	R 3 074.67 R 2 404.91	❖ Husband Mr F Van Niekerk is currently employed at the Department of Education
Beaufort West Luxury Coaches	08/04/2014 17/04/2014 15/05/2014	15047804 15048522	R 17 340.00 R 6 297.00 R 3 950.00	❖ Son, Warren Johnson is employed at the Beaufort West Municipality. Daughter in law, B Johnson is employed as a traffic officer at Department of Community Safety.
L July	08/04/2014	15047577	R 2 500.00	❖ Spouse, P July, is currently employed by the Beaufort West Municipality in Nelspoort.
Karoo Beton werke	03/04/2014	15047508	R 15 100.00	❖ Spouses, Mr A Swanepoel en Mrs E Klazen are employed with the Department of Correctional Services and Education
Karoo Motors Werkswinkel	30/04/2014 29/05/2014 27/06/2014	15048173 15048855 15049526	R 88 294.10 R 53 072.70 R 111 125,92	❖ Spouse, Mrs. Anna-Marie van der Merwe is employed with the Department of Health

				Services
Karoo Drukkery	19/06/2014	15049195	R 9 429,75	❖ Wife, Mrs. S Munro is employed at the Department of Health.
Sonneblom Bloemiste	26/05/2014	15048723	R 2 500.00	❖ Son, Mr H Jack is currently employed at the Beaufort West Municipality on a contract basis.
General Shine Catering	06/05/2014	15048360	R 30 000	❖ Husband, Mr Diedericks, is currently employed by Department of Community Services as a traffic officer.

3. Monthly Report on Deviations and Minor Breaches

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (b) if such goods or services are produced or available from a single provider only;
- (d) in any other exceptional case where it is impractical or impossible to follow the official procurement processes"

Attached please find a schedule of Deviations approved by the Accounting Officer as Addendum 1.

There are no minor breaches to be reported.

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.

ACTING DIRECTOR: FINANCIAL SERVICE

Addendum 1

BIDS AND FORMAL WRITTEN QUOTATIONS AWARDED BY BID ADJUDICATION COMMITTEE AND DIRECTORS

Bid #	Item	Bids Received	Bid Amount	Awarded to	Remarks
SCM 18/2014	Supply and delivery of one new pad mounted standard type 'B' mini substation 400 kva 1100/400 volt	<ul style="list-style-type: none"> ❖ Electro Inductive Industries ❖ Jocasro ❖ Actom ❖ VE reticulation ❖ Powerrec ❖ Free state transformers ❖ Voltex ❖ WCC Cables 	<ul style="list-style-type: none"> ❖ R 317843.04 ❖ R 353 810.40 ❖ R 347 136.84 ❖ R 380 000.00 ❖ R 369 721.38 ❖ R 362 200.80 ❖ R 384 400.00 ❖ R 347 859.60 	❖ WCC Cables	None
SCM 19/2014	Digging of graves Beaufort west Municipality	<ul style="list-style-type: none"> ❖ WM Workers ❖ JMG Solutions ❖ Q & K projects ❖ Verrooy Construction ❖ Rwicila Construction ❖ Francios Construction 	Unit prices	❖ Q & K projects	None
SCM 20/2014	Supply and delivery of a hydraulic spiking gun - Electrical	<ul style="list-style-type: none"> ❖ Chantmerc ❖ Investments cc ❖ Sicame SA ❖ Flo Specialized Product Solutions 	<ul style="list-style-type: none"> ❖ R 76 950.00 ❖ R 67 300.23 ❖ R 58 500.00 	❖ Flo Specialized Product Solutions	None
SCM 21/2014	Supply, delivery and installation of 2 36000 btu mid wall split air conditioners at mimosa hall	<ul style="list-style-type: none"> ❖ B-wes Lugreeling & Verkoeling ❖ Shore Imports 	<ul style="list-style-type: none"> ❖ R 43 749.64 ❖ R 63 206.99 	❖ B-wes Lugreeling & Verkoeling	None
SCM 22/2014	Supply, delivery of IT hardware and software	<ul style="list-style-type: none"> ❖ Brilliant computers ❖ Juvinon t/a ISM ❖ Procon ❖ Fisothe ❖ Mantella ❖ First Techno ❖ Datategra ❖ Dooling IT 	<ul style="list-style-type: none"> ❖ R 74 078.00 ❖ R 64 715.00 ❖ R 53 460.30 ❖ R 95 800.00 ❖ R 68165.99 ❖ R 74 960.70 ❖ R 75 707.06 ❖ R 89 194.00 	❖ Mantella	None
SCM 25/2014	Construction of a 11kv Overhead power line shooting range bore hole pump in Beaufort West	<ul style="list-style-type: none"> ❖ MDL Electrical ❖ Adenco 	<ul style="list-style-type: none"> ❖ R 328 369.93 ❖ R 418 069.04 	❖ MDL Electrical	None

Addendum 2

APPLICABLE PARAGRAPH IN SCM POLICY		DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR APRIL			
(b)	Sole Supplier	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	BKB	R 2,366.60	16/04/2014	Sole supplier that can provide on account Luserm Bale and Corn
		PG Glass	R 6,262.29	14/04/2014	Sole supplier that could supply and install windows at 22 houses
		Actebis 256 CC	R 4,970.40	22/04/2014	Sole supplier to remove hazardous waste.
		B & B Sweiswerke	R 3,710.00	23/04/2014	Sole supplier that can pull borehole pumps
		Karoo Fire	R 2,300.00	22/04/2014	Only service provider locally to supply & service fire extinguishers
		Karoo Vleisboere	R 32,031.37	22/04/2014	Sole supplier in Murraysburg that can supply the stock
		Barloworld Equipment	R 172,309.38	24/04/2014	Sole supplier for this type of work
		Beaufort Alarms	R 4,577.00	29/04/2014	Sole supplier, repair alarm system in Beaufort West
		Elster Kent Metering	R 792,014.79	2/4/2014	Sole manufacturer of Elster meters and strainers
		Karoo Betonwerke	R 15,100.00	8/4/2014	Sole local manufacturer of concrete products
		Spectrum Communications	R 23,590.00	3/4/2014	Sole supplier of Telemetry System
		Vastrap Grondverskuiwings	R 3,000.00	2/4/2014	Sole supplier in Murraysburg that have a TLB machine
		PJ Sounds	R 10,000.00	22/04/2014	Only available local supplier that could provide stage & sound on short notice.
		Art work welding	R 2,770.00	25/04/2014	Supply and install steel grit in Danie Theron street
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	ED Catering	R 3,000.00	17/04/2014	Signing of IEC code of conduct, supply refreshments
		Kivido's Transport	R 3,800.00	23/04/2014	Transport of passengers from Murraysburg to Beaufort west
		TMS Hasler	R 6,400.00	4/4/2014	Service provider for franking machine procured
		NOSA	R 21,219.99	22/04/2014	Only supplier in Western Province that specializes in the training
		Mr G Brooks	R 2,500.00	14/04/2014	Mr Brooks is the only supplier that can dismantle tents.
		Penny Pinchers	R 108,552.42	14/04/2014	Sole local supplier that can supply stock, other suppliers outside Beaufort West charge extra for transport.

		Ignite Advisory Services	R	4/4/2014	Performance Management Service Provider
(d)(v)	The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	Abrahams Kiewiets Attorneys	R 74,545.00	22/04/2014	CCMA Case of S Moses, legal opinion
		Danielle studiesentrum	R 25,450.64	23/04/2014	Consultant - reconciliation of stores & creditors
		S.B Naidoo	R 3,370.98	7/4/2014	Only service provider locally for ballu services
		Ignite	R 68,400.00	11/4/2014	IDP 2014/2015 cycle, urgent submission to Local Gov, review
		Crawfords Attorneys	R 53,317.80	11/4/2014	Local official law practitioner handling the transportations
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 3,927.07	3/4/2014	Only newspaper circulating in the Central Karoo
		Media 24	R 5,750.07	7/4/2014	Advertisement in Die Burger for Notice no.31/2014
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Hoistec Engineering	R 9,684.30	22/04/2014	Sole supplier of Safety inspection and load testing of beams at pump stations. Need safety certificates, sole supplier on database.
			R 6,161.70	22/04/2014	
			R 14,563.50	22/04/2014	
		George Lawnmowers	R 18,733.56	22/04/2014	Supplier that are the nearest to Beaufort West to repair lawnmowers and chainsaws
			R 2,190.43	22/04/2014	
		Hilbert Radios	R 22,282.44	7/4/2014	Repair repeaters and antennas
		B-wes rugleering & Verkoeling	R 4,161.85	22/04/2014	Inspect and repair air conditioner in Nelspoort

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MAY				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Elster Kent Metering	R 74 102,00	19/05/2014	Sole manufacturer & supplier of Elster Meters & Strainers
	PG Glass	R 9 185,49	13/05/2014	Sole supplier that can supply and install windows at 219 houses
	Pressure Sealers	R 4 100,00	26/05/2014	Preventative maintenance service & check settings
	Trentyre	R 7 652,00	30/05/2014	Sole local supplier that can provide Willard Batteries
	Essop Multisave	R 2 345,00	12/05/2014	Supply refreshments for Minister of Rural Development function
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	R 8 680,90	12/05/2014	
		R 4 867,20	16/05/2014	Only supplier that can supply goods on account
		R 15 370,00	15/05/2014	Fencing steam station
		R 9 535,00	16/05/2014	Fencing Brummer substation
		R 15 410,00	16/05/2014	Fencing Wimpy mini substation
	Beaufort west Luxury Coaches	R 3 950,00	02/05/2014	Transport people from Nelspoort to Beaufort West and back for meeting
		R 17 340,00	16/04/2014	Transport people from Merweville, Nelspoort and Murraysburg to Beaufort West and back for meeting
	Harvey World Travel Group	R 8 180,00	22/05/2014	Flight ticket for Mayor-Inauguration of President
	Sonneblom Bloemiste	R 2 500,00	14/05/2014	Supply flowers and décor the Minister of Rural development
		R 4 206,33	14/05/2014	Only supplier locally that can supply goods. It is not practical to use other suppliers out of town as their delivery cost is high.
(d)(v)		R 3 392,92	14/05/2014	
	Penny Pinchers	R 3 439,79	14/05/2014	
	SM Consultants	R 14 700,00	20/05/2014	Service provider for the distribution of traffic summonses
		R 19 800,00	02/05/2014	
(d)(v)	Ignite Advisory Services	R 13 159,31	09/05/2014	Performance Management Service Provider
	D Fortuin	R 2 500,00	24/04/2014	Consulting fee for drawings for pub furniture
(d)(i)	Media 24	R 6 160,79	27/05/2014	Newspaper circulating in Western Cape-Advert - SCM 26-2014 upgrading of Pieter Street.

	municipality				
(d)(vi))	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Southern Cape Compressed Air Services	R 8 406,36	15/05/2014	Agent-Service of air compressor Torro Greencutter at Golf course - Strip and repair
			R 3 032,40	21/05/2014	
		George Lawnmowers	R 5 419,10	21/05/2014	Striker kudu Briggs - Strip and repair
			R 3 025,50	30/05/2014	Robin HP Washer - Stihl - Strip and repairs
			R 2 591,78	29/05/2014	Tricycle Lawnmower - Strip and repairs
		Precision Motor Engineers	R 19 620,54	29/05/2014	Mobile Welder - Specialized service by Engineers.
		Karoo Lugreeling & Verkoeling	R 2 350,00	22/05/2014	Ascertain the problem of air conditioner and repair at traffic offices

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JUNE				
APPLICABLE PARAGRAPH IN SCMI POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(b)	Sole Supplier			
	Trentyre	R 10 326,00	24/06/2014	Sole supplier locally that can provide Willard Batteries
	Middleton Geomatics	R 10 032,00	02/06/2014	Relocation of beacons Erf 5298 & 13 Neispoort
	Automotor Traffic signal	R 4 380,00	11/06/2014	Manufacturer of traffic controller and repairs
	Lithotech	R 10 200,00	14/06/2014	Sole supplier for the printing of cheques of Nedbank
	B&B Sweiswerke	R 3 500,00	19/06/2014	Pull down boreholes at Kuilspoort
	Karoo Vleisboere Koop	R 9 696,71	25/06/2014	Sole supplier in Murraysburg that can supply the stock
(d)	Skruza Transport	R 2 112,00	23/06/2014	Only Taxi operating in Murraysburg that can transport passengers. He transported ward committee members to Beaufort West and back to Murraysburg
	SM Consultants	R 12 750,00	27/06/2014	Service provider for the distribution of traffic summonses
	Pentecostal Church	R 6 800,00	03/06/2014	Indigent applications was renewed.
	New Fountain Ministries	R 5 500,00	03/06/2014	
	WCC Cables	R 10 830,00	13/06/2014	Install extra bulk meter in the minibus, SCM 18/2014 Tender
	Ubertech	R 2 371,20	19/06/2014	Appointed i.t.o a service level agreement to provide IT support
	Benjamin Bus Services	R 2 400,00	05/06/2014	Transport community members for Minister function
	Harvey World Travel Group	R 5 167,60	12/06/2014	Flight ticket for Director Engineering services IMESA conference
	Nyala Communications	R 3 499,00	30/06/2014	The only service provider for internet services
	City Security Services	R 6 837,00	05/06/2014	Security services rendered at Murraysburg Centre
(d)(v)	ODS Consulting CC	R 62 978,16	27/06/2014	Facilitating selecting process and reporting for Director Corporate and Financial Services
	S.B Naidoo	R 3 095,67	06/06/2014	Only service provider locally for balju services
	Abrahams Kiewiets Attorneys	R 33 174,00	30/06/2014	Legal fees for contract with Central Karoo Traffic Systems
(d)(i)	Die Courier	R 17 695,66	19/06/2014	Only newspaper circulating in the Central Karoo
(d)(vi)	Bwes Precision Engineers	R 2 374,62	09/06/2014	CZ 6416 - Sole local supplier of specialised repair

)	equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Short's Nissan	R 7 068,00	13/06/2014	CZ 7713 - Sole supplier of specialised repair work	work
			R 3 441,69	12/06/2014	CZ 3697 - Agent - first 5000km service	

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014 R	2013 R
44	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)		
44.8	<u>Other non-compliance</u>		
	MFMA Section 65(2)(b) Adequate management, accounting and information system was not in place which accounted for creditors.		
	MFMA Section 65(2)(e) The municipality had experienced cash flow problems during the year as a result of which creditors were not always paid within 30 days of date of statement or invoice as required.		
	MFMA Section 15 Expenditure was not only incurred in terms of an approved budget and within the limits of the amounts approved for the different votes in an approved budget.		
	MFMA Section 165 The municipality had shortcomings/deviations with regard to the internal audit function.		
	MFMA Section 166 The municipality had shortcomings/deviations with regard to the audit committee.		
	MFMA Section 32(4) Report pertaining to unauthorised, irregular, fruitless and wasteful expenditure have not been submitted to all relevant parties.		
45	CAPITAL COMMITMENTS		
	Commitments in respect of capital expenditure:		
	Approved and contracted for:		
	Infrastructure	3 873 376	6 234 976
		3 873 376	6 234 976
	Total	3 873 376	6 234 976
	This expenditure will be financed from:		
	Government Grants	3 873 376	6 234 976
		3 873 376	6 234 976

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

46

FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

	2014 R	2013 R
0.5% (2013 - 0.5%) Increase in interest rates	(30 769)	(2 866)
0.5% (2013 - 0.5%) Decrease in interest rates	30 769	2 866

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

The ageing of amounts past due and not impaired is as follows:

	Non-Exchange Receivables R	Exchange Receivables R	Total R
2014			
1 month past due	694 551	1 886 692	2 581 243
2 + month past due	-	7 523 307	7 523 307
Total	<u>694 551</u>	<u>9 409 999</u>	<u>10 104 551</u>
2013			
1 month past due	1 072 073	995 389	2 067 462
2 + month past due	-	8 510 135	8 510 135
Total	<u>1 072 073</u>	<u>9 505 524</u>	<u>10 577 597</u>

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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FINANCIAL RISK MANAGEMENT (CONTINUED)

All rates and services are payable within 30 days from invoice date. Refer to note 19 and 20 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Balances past due not impaired:

	2014 %	2014 R	2013 %	2013 R
<u>Non-Exchange Receivables</u>				
Rates	0.00%	694 551	0.00%	1 072 073
<u>Exchange Receivables</u>				
Electricity	0.00%	-	0.00%	-
Water	4.30%	404 911	0.04%	4 255
Refuse	16.33%	1 536 907	12.41%	1 179 419
Sewerage	21.11%	1 986 266	13.63%	1 295 419
Housing Rentals	0.28%	26 103	0.31%	29 537
Other	57.98%	5 455 813	73.61%	6 996 894
	100.00%	9 409 999	100.00%	9 505 524

No receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 19 & 20 of the financial statements is an approximation of its fair value. Interest on overdue balances (rates) are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2014 %	2014 R	2013 %	2013 R
<u>Non-Exchange Receivables</u>				
Rates	13.32%	3 835 562	100.00%	4 300 688
Fines	86.68%	24 965 433	0.00%	-
	100.00%	28 800 995	100.00%	4 300 688
<u>Exchange Receivables</u>				
Electricity	14.63%	4 491 409	12.62%	3 612 773
Water	8.80%	2 701 796	6.80%	1 946 068
Refuse	13.57%	4 164 179	11.62%	3 325 578
Sewerage	19.46%	5 973 477	15.12%	4 327 025
Housing Rentals	0.21%	64 812	0.25%	71 874
Other	43.32%	13 297 898	53.58%	15 333 831
	100.00%	30 693 572	100%	28 617 149

Bad debts written off per debtor class:

<u>Non-Exchange Receivables</u>				
Rates	0.00%	-	0.00%	-
<u>Exchange Receivables</u>				
Services	100.00%	910 704	100.00%	7 461 979
Other	0.00%	-	0.00%	-
	100.00%	910 704	100.00%	7 461 979

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

46

FINANCIAL RISK MANAGEMENT (CONTINUED)

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only enters into non-current investment transactions with major banks with high quality credit standing. Although the credit risk pertaining to non-current investments are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE. The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at the Statement of Financial Position date for impairment.

Financial assets exposed to credit risk at year end are as follows:

	2014 R	2013 R
Long term receivables	3 676 587	1 621 507
Trade receivables and other receivables	30 088 011	22 974 576
Cash and Cash Equivalents	11 937 136	18 097 679
Unpaid conditional grants and subsidies	670 378	912 408
	<u>46 372 112</u>	<u>43 606 170</u>

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 30 years
2014			
Long Term liabilities	5 140 312	11 693 253	11 173 707
Capital repayments	3 476 271	7 623 652	6 978 891
Interest	1 664 041	4 069 601	4 194 816
Trade and Other Payables	21 527 811	-	-
Unspent conditional government grants and receipts	6 465 185	-	-
	<u>33 133 308</u>	<u>11 693 253</u>	<u>11 173 707</u>
2013			
Long Term liabilities	4 478 185	11 303 059	12 951 299
Capital repayments	2 808 681	6 735 305	7 968 085
Interest	1 669 504	4 567 754	4 983 215
Trade and Other Payables	21 887 573	-	-
Unspent conditional government grants and receipts	6 861 736	-	-
	<u>33 227 494</u>	<u>11 303 059</u>	<u>12 951 299</u>

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014 R	2013 R	
47	FINANCIAL INSTRUMENTS			
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:			
	The fair value of financial instruments approximates the amortised costs as reflected below.			
47.1	Financial Assets			
	Classification			
	Long-term Receivables			
	Receivables with arrangements	Financial instruments at amortised cost	3 676 587	1 621 507
	Consumer Debtors			
	Trade receivables from exchange transactions	Financial instruments at amortised cost	8 568 018	6 542 531
	Other receivables from exchange transactions	Financial instruments at amortised cost	6 549 711	7 552 484
	Other receivables from non-exchange transactions	Financial instruments at amortised cost	14 970 281	8 879 561
	Unpaid Conditional Grants and Receipts			
	Other Spheres of Government	Financial instruments at amortised cost	670 378	912 408
	Short-term Investment Deposits			
	Call Deposits	Financial instruments at amortised cost	9 332 328	16 811 803
	Bank Balances and Cash			
	Bank Balances	At amortised cost	2 592 738	1 273 546
	Cash Floats and Advances	Financial instruments at amortised cost	12 070	12 330
			46 372 112	43 606 170
	SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost		46 372 112	43 606 170
47.2	Financial Liability			
	Classification			
	Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	12 028 203	13 540 045
	Capitalised Lease Liability	Financial instruments at amortised cost	2 574 372	1 163 349
	Trade Payables			
	Trade creditors	Financial instruments at amortised cost	20 374 174	20 843 901
	Unspent Conditional Grants and Receipts			
	Other Spheres of Government	Financial instruments at amortised cost	7 135 563	7 774 144
	Public Contributions	Financial instruments at amortised cost	139 052	-
	Bank Balances and Cash			
	Bank Balances	Financial instruments at amortised cost	-	-
	Current Portion of Long-term Liabilities			
	Annuity Loans	Financial instruments at amortised cost	1 516 227	1 877 333
	Capitalised Lease Liability	Financial instruments at amortised cost	1 960 044	931 348
			45 727 635	46 130 120
	SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost		45 727 635	46 130 120

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

48 EVENTS AFTER THE REPORTING DATE

The municipality did not have any event after the reporting date.

49 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

50 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

51 CONTINGENT LIABILITY

The following guarantees also qualify as contingent liabilities:

NAME / REG NO	GUARANTEE ISSUED TO	2014 R	2013 R
ABSA/227	Eskom: Supply Electricity - Nelspoort	41 000	41 000
1165040859	Eskom	34 500	34 500
ABSA Bank	South African Post Office	50 000	50 000
ABSA/237	Dept. of Mineral & Energy - Rehabilitation of Quarry	-	6 000
Total		125 500	131 500

52 CONTINGENT ASSETS

BANK / FIRM	PURPOSE	REG NO		
First National Bank	Electricity supply	147	2 020	2 020
FNB/Shoprite	Electricity Supply	88	12 265	12 265
FNB/Ackemans	Electricity Supply	91	2 080	2 080
Lombard Insurance Group/AGMS	Housing Project: Merweville	248	210 450	210 450
Lombard Insurance Group/SWANSA	Reclamation Plant	261	260 068	260 068
Lombard Insurance Group	Construction of detention dam in Hillside Phase 1	273	915 693	915 693
Investec Private Bank/SA Tolling	Tend DID01/2008&Corp13/2008	264	-	3 056 000
Nedbank obo Mabungwe Siviële Kontrakteurs:	Notice No. 52 /2012 : Tender scm 35/2012 : Construction of pressure reducing system in BW. Phase	280	-	179 760
Guarantee No: 285/320654/05	W&E Service Erf no. 7401 (BW Mall)	270	222 000	222 000
ABSA Bank	30 Meter High Mast Pole - Floodlighting	266	853 876	853 876
Renasa Insurance Company LTD	Upgrading boreholes for water supply Murraysburg	283	92 410	-
Rand Merchant Bank	Upgrading of Ebenezer Avenue Beaufort West	284	356 873	-
Fusion Guarantee	Bulk water supply for Nelspoort	285	155 020	-
Total			3 082 755	5 714 212

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

53 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

53.1 Related Party Transactions

	Rates - Levied 1 July 2013 - 30 June 2014	Service Charges - Levied 1 July 2013 - 30 June 2014	Other - Levied 1 July 2013 - 30 June 2014	Outstanding Balances 30 June 2014
Year ended 30 June 2014				
Councillors	22 971	149 593	3 013	12 273
Councillor D Slabbert (010137/011832)	4 524	14 622	1	1 376
Councillor D Slabbert (028981/031495)	323	2 683	-	3 109
Councillor DE Weigemoed (012158/012159)	6 573	36 595	11	3 334
Councillor G de Vos (014633/014634)	4 350	23 804	-	-
Councillor G de Vos (014914/014634)	-	7 704	-	642
Councillor GP Adolph (021180/032194)	625	2 011	-	-
Councillor HT Prince(009892/010957)	-	16 405	-	-
Councillor HT Prince(010956/010957)	3 446	22 996	-	-
Councillor HT Prince(007782/010957)	-	4 977	-	-
Councillor L Deyce (510271/000768)	837	1 074	-	437
Councillor M Furmen (023379/023380)	194	7 179	-	884
Councillor R van der Linde (020002/020003)	1 905	4 470	-	-
Councillor R van der Linde (070128/020003)	-	-	3 000	250
Councillor SM Motsoane (022661/022662)	195	3 952	-	552
Councillor PA Jacobs (024348/024349) Resigned 31/08/2013	-	1 122	-	1 689
Municipal Manager and Section 57 Employees	26 604	57 708	-	1 445
Municipal Manager : J Booysen(020051/020052)	-	1 054	-	-
Municipal Manager : J Booysen(010964/032381)	2 218	18 488	-	-
Municipal Manager : J Booysen(004922/032381)	876	2 298	-	-
Director : A Makendana (012180/029959)	7 042	1 660	-	-
Director : R van Staden (011989/011990)	8 485	5 420	-	-
Director : JCL Smit (011486/011487)	7 982	28 224	-	524
Director : NE Mfundisi (036117/040042) Resigned 31/10/14	-	564	-	921

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

53.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 17 to the Annual Financial Statements.

53.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

53.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

Councillor/Staff Member

Entity

Mr. T Prince (a council member of the Beaufort West Municipality) is the president of Beaufort West Local Football Association. The property on which the Football Association is built belongs to the municipality and is leased to the Football Association at an annual amount of R36,000. At 30 June 2014 an amount of R180 036 was outstanding in respect of the lease payments.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

54 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio increased to 1.07:1 from 1.05:1 in the prior year.

The municipality have budgeted for a surplus of R15 373 356 for the 2013/2014 financial year. The municipality is also budgeting for net surpluses of R11 625 000 and R3 320 000 for 2014/2015 and 2015/2016 respectively.

The average debtors' payment days increased to 295 days from 199 days.

A bank overdraft facility is utilised amounting to R 5 000 000.

The outstanding balances in respect of external loans amounts to R13 544 430 (2013 - R15 417 375)

Other Indicators

Possible outflow of resources due the contingent liability disclosed in note 51

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2013	Correction of Error	Balance at 30 June 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
					R	R	R	R	R	R
ANNUITY LOANS										
General										
Sanlam Building RB21/10/03 IT 5.44	10.5%	DBSA	101257/1	2019/12/31	989 516	-	989 516	-	113 024	876 492
Tata Truck 2 Ton CZ 6388	8.6%	STANDARD	73702013/0003	2016/08/31	107 056	-	107 056	-	30 716	76 340
Tractor CZ 17798	10.8%	DBSA	103465/4	2014/06/30	35 210	-	35 210	-	33 521	-
Case Tractor 2WD CZ 6311	8.6%	STANDARD	73702013/0004	2016/08/31	116 835	-	116 835	-	83 314	-
Upgr. Fencing & Alarm System	9.7%	FNB	2012/001	2017/06/01	111 521	-	111 521	-	23 682	87 839
Gatepillar Digger/Loader CZ 5169	9.7%	FNB	2012/002	2017/06/01	508 083	-	508 083	-	107 986	400 087
Sod Cutter	9.7%	FNB	2012/003	2017/06/01	23 558	-	23 558	-	4 988	18 568
Lawn Mower Tractor Attached	9.7%	FNB	2012/004	2017/06/01	22 358	-	22 358	-	4 723	17 635
Case Tractor CZ 7397	9.7%	FNB	103464/2	2025/06/30	8 181	-	8 181	-	1 930	6 251
Tractor CZ 7397	6.9%	DBSA	2012/005	2025/06/30	2 338 702	-	2 338 702	-	140 186	2 198 516
Refuse Truck CZ 3484	9.7%	FNB	2012/006	2017/06/01	131 800	-	131 800	-	27 991	103 809
Archimedes Sewerage Pump	9.7%	FNB	2012/007	2017/06/01	138 556	-	138 556	-	29 439	109 117
Electricity	12.0%	DBSA	103465/3	2017/06/30	593 718	-	593 718	-	125 786	467 932
Electr. Housing scheme AA10/12/14	14.0%	DBSA	2012/008	2017/06/01	235 602	-	235 602	-	50 053	185 549
Load control syst RB12/5/98 IT 2	9.5%	ABSA	9055	2013/09/30	468 314	-	468 314	-	468 314	-
Dyna Cherry Picker CZ 4930	9.5%	ABSA	10819	2019/03/31	1 484 780	-	1 484 780	-	169 503	1 295 277
Compressor CZ 4860	10.9%	DBSA	80343235	2015/11/01	236 745	-	236 745	-	91 448	145 297
Truck with crane CZ 2954	8.6%	STANDARD	103464/3	2017/06/30	465 323	-	465 323	-	38 380	57 133
Toyota Hilux 2L CZ 10975	10.9%	DBSA	73702013/0001	2016/07/31	52 022	-	52 022	-	98 592	365 731
20kVA Transformer	10.9%	DBSA	103464/1	2029/07/31	4 296 879	-	4 296 879	-	15 385	36 637
Water Works										
Farm Hansrivier	10.9%	DBSA	103464/1	2029/07/31	1 903 179	-	1 903 179	-	101 304	4 195 675
Pressure Control System	10.9%	DBSA	103464/1	2029/07/31	611 415	-	611 415	-	44 792	1 858 387
Isuzu L D V CZ 6929	10.0%	ABSA	79864607	2013/07/01	2 311	-	2 311	-	14 449	598 986
Trailer CZ 6253	8.6%	STANDARD	72702013/0002	2016/07/31	18 016	-	18 016	-	2 311	-
Telemetry System	9.7%	FNB	2012/009	2017/06/01	317 605	-	317 605	-	5 329	12 687
Water Purification Fencing	9.7%	FNB	2012/010	2017/06/01	124 452	-	124 452	-	67 496	250 109
Total Annuity Loans					15 417 378	-	15 417 378	-	26 440	98 012
									1 872 947	13 544 430

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2013	Correction of Error	Balance at 30 June 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
					R	R	R	R	R	R
LEASE LIABILITY										
CZ 4548 Toyota Corolla 1.3 Impact	11.98%		Housing Office	2013/09/30	10 205	-	10 205	-	10 205	-
CZ 4557 Toyota Corolla 1.3 Impact	11.98%		Dir: Traffic Services	2013/09/30	10 205	-	10 205	-	10 205	-
CZ 4560 Toyota Corolla 1.3 Impact	12.01%		Dir: Community Services	2013/09/30	12 066	-	12 066	-	12 066	-
CZ 4561 Toyota Corolla 1.3 Impact	12.01%		Dir: Traffic Services	2013/09/30	12 437	-	12 437	-	12 437	-
CZ 4554 Toyota Corolla 1.3 Impact	12.01%		Dir: Traffic Services	2013/09/30	12 437	-	12 437	-	12 437	-
CZ 4741 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Street works & Storm Water	2013/09/30	13 740	-	13 740	-	13 740	-
CZ 4564 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Recreation Sites	2013/09/30	13 740	-	13 740	-	13 740	-
CZ 4567 Toyota Hilux 2.5 D-4D P/U S/C	12.09%		Recreation Sites	2013/09/30	13 740	-	13 740	-	13 740	-
CZ 4577 Toyota Hilux 2.5 D-4D P/U S/C	12.04%		Dir: Community Services	2013/09/30	13 957	-	13 957	-	13 957	-
CZ 4566 Toyota Hilux 2.5 D-4D P/U S/C	12.04%		Street works & Storm Water	2013/09/30	13 957	-	13 957	-	13 957	-
CZ 4754 Toyota Hilux 2.5 D-4D P/U S/C	11.89%		Water Purification	2013/09/30	14 426	-	14 426	-	14 426	-
CZ 4746 Toyota Hilux 2.5 D-4D P/U S/C	11.89%		Dir: Traffic Services	2013/09/30	14 426	-	14 426	-	14 426	-
CZ 4336 Toyota Hilux 2.5 D-4D P/U S/C	12.13%		Street works & Storm Water	2013/10/31	18 952	-	18 952	-	18 952	-
CZ 4738 Toyota Hilux 2.5 D-4D P/U S/C	12.06%		Municipal Buildings	2013/11/30	18 982	-	18 982	-	18 982	-
CZ 4730 Toyota Hilux 2.5 D-4D P/U S/C	12.06%		Water Purification	2013/11/30	18 982	-	18 982	-	18 982	-
CZ 5725 LDV TOYOTA	9.00%		Dir: Traffic Services	2014/10/13	58 680	-	58 680	-	46 412	12 268
MP4001	9.00%		Dir: Engineers Services	2014/09/30	29 420	-	29 420	-	23 269	6 151
MP35501	9.00%		Dir: Corporate Services	2014/08/31	69 459	-	69 459	-	59 086	10 373
CZ 8282 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/02/28	126 142	-	126 142	-	43 999	82 143
CZ 8340 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/02/28	130 484	-	130 484	-	46 624	84 860
CZ 8341 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/02/28	126 140	-	126 140	-	43 998	82 142
CZ 8343 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Municipal Buildings	2016/02/28	126 139	-	126 139	-	43 998	82 141
CZ 8408 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Retention High	2016/04/30	134 321	-	134 321	-	43 774	90 547
CZ 8410 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Recreation Sites	2016/04/30	123 985	-	123 985	-	44 806	79 179
CZ 8414 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Dir: Engineers Services	2016/04/30	118 989	-	118 989	-	38 777	80 212
CZ 8415 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/04/30	134 325	-	134 325	-	43 775	90 550
CZ 8418 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/04/30	134 328	-	134 328	-	43 775	90 552
CZ 8419 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/04/30	139 051	-	139 051	-	43 774	95 277
CZ 8421 TOYOTA YARIS ZEN3 ACS	8.50%		Dir: Financial Services	2016/04/30	93 862	-	93 862	-	30 589	63 273
CZ 8422 TOYOTA YARIS ZEN3 ACS	8.50%		Building Control	2016/04/30	93 864	-	93 864	-	30 589	63 275
Machine Photocopy Kycocera FS1128	9.00%		Thusing Centre	2016/06/30	64 005	-	64 005	-	18 286	45 719
PABX TELEPHONE SYSTEM	9.00%		Thusing Centre	2016/07/30	83 733	-	83 733	-	24 665	59 068
CCTV CAMERA'S	20.50%		Thusing Centre	2016/09/30	38 238	-	38 238	-	10 903	27 335
CZ 2078 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Dir: Financial Services	2014/07/30	32 271	-	32 271	-	9 949	15 647
CZ 2477 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/09/30	-	-	-	142 763	29 648	2 623
CZ 4155 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Murrayburg Refuse Removal	2016/09/30	-	-	-	142 763	32 365	110 398
CZ 8684 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/09/30	-	-	-	153 186	32 365	110 396
CZ 8685 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/09/30	-	-	-	153 186	34 728	118 458
CZ 8686 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Retention	2016/09/30	-	-	-	153 186	34 728	118 458
CZ 8687 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Street works & Storm Water	2016/09/30	-	-	-	153 186	34 728	118 458
CZ 8688 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Recreation Sites	2016/09/30	-	-	-	153 186	34 728	118 458
CZ 8689 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Dir: Traffic Services	2016/09/30	-	-	-	113 727	25 783	87 944
CZ 8690 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Dir: Traffic Services	2016/09/30	-	-	-	113 727	25 783	87 944
CZ 8691 ISUZU KB250D FLETSIDE A/C P/U S/C	8.50%		Water Purification	2016/09/30	-	-	-	125 276	34 961	90 315
CZ 1036 ISUZU KB250D LEED FLETSIDE P/U S	8.50%		Water Retention	2016/11/30	-	-	-	156 712	27 436	129 276
CZ 4898 ISUZU KB250D LEED FLETSIDE P/U S	8.50%		Municipal Buildings	2016/10/30	-	-	-	153 185	30 759	122 426
CZ 4296 ISUZU KB250D LEED FLETSIDE P/U S	8.50%		Water Purification	2016/10/30	-	-	-	144 215	28 958	115 256
CZ 2295 ISUZU KB250D LEED FLETSIDE P/U S	8.50%		Refuse Removal	2016/10/30	-	-	-	130 525	26 209	104 316
CZ 1461 ISUZU KB250D LEED FLETSIDE P/U S	8.50%		Fire Brigade	2016/10/30	-	-	-	138 335	27 777	110 557
CZ 8728 SEDAN TOYOTA ETIOS	8.50%		Refuse Removal	2016/10/30	-	-	-	156 712	31 468	125 244
CZ 8743 ISUZU KB250D LEED FLETSIDE P/U S	8.50%		Housing Office	2016/11/30	-	-	-	101 628	20 407	81 221
CZ 5697 TRUCK NISSAN UD 90B F/C C/C	8.50%		Water Purification	2017/01/30	-	-	-	164 548	28 808	135 740
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Refuse Removal	2017/03/30	-	-	-	1 020 105	126 664	893 441
			Dir: Financial Services					18 200	1 346	15 853

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Institution	Loan Number	Term	Balance at 30 June 2013	Correction of Error	Balance at 30 June 2013 Restated	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
					R	R	R	R	R	R
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Dir: Financial Services	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Kwa Mandlenkosi Office	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Dir: Financial Services	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Dir: Traffic Services	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Dir: Traffic Services	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Traffic Court	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Housing Office	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY RICOH MP2501sp	8.50%		Fire Brigade	2017/03/30	-	-	-	18 200	1 346	16 853
MACHINE PHOTOCOPY KONICA MINOLTA	8.50%		General Expenses	2017/03/30	-	-	-	7 145	529	6 616
MACHINE PHOTOCOPY KONICA MINOLTA	8.50%		Dir: Community Services	2017/03/30	-	-	-	49 963	3 696	46 267
MACHINE PHOTOCOPY KONICA MINOLTA	8.50%		Admin: Electrical	2017/03/30	-	-	-	26 829	1 985	24 844
CZ 9005 ISUZU KB250D LEED FLEETSIDE PU S	9.00%		Dir: Community Services	2017/03/30	-	-	-	160 863	3 909	156 954
Total Lease Liabilities					2 094 697	-	2 094 697	4 092 471	1 652 749	4 534 416
TOTAL EXTERNAL LOANS					17 512 075	-	17 512 075	4 092 471	3 525 696	18 078 846

APPENDIX B - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
MUNICIPAL VOTES CLASSIFICATION

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
483 132	(2 288 037)	(1 804 905)	Admin: Commun Serv	496 485	(2 903 338)	(2 406 853)
15 771	(6 838 884)	(6 823 113)	Admin: Corp Serv	-	(18 243 774)	(18 243 774)
9 612 871	(17 408 169)	(7 795 298)	Admin: Electrical	3 387 243	(7 978 926)	(4 591 683)
232 044	(3 376 064)	(3 144 020)	Admin: Engineering Serv	230 514	(3 425 724)	(3 195 210)
4 230 987	(11 077 257)	(6 846 270)	Admin: Fin Serv	6 133 111	(9 555 554)	(3 422 443)
1 111	(252 670)	(251 559)	Admin: Nelspoort	1 123	(556 514)	(555 391)
12 646 085	(11 214 782)	1 431 303	Admin: Traffic	40 800 155	(37 154 410)	3 645 745
214 529	(6 017 663)	(5 803 134)	Admin: Water	111 013	(2 843 164)	(2 732 151)
65 059	(639 001)	(573 942)	Building Control	95 227	(784 219)	(688 992)
168 348	(431 487)	(263 139)	Cemetries	168 948	(710 748)	(541 800)
-	(1 429 652)	(1 429 652)	Fire Brigade	-	(1 649 860)	(1 649 860)
39 039 268	(10 971 855)	28 067 413	General Expenses	24 081 066	(13 325 239)	10 755 827
15 254 782	(15 983 182)	(728 400)	Housing Office	28 595 346	(29 476 892)	(881 546)
-	(315 162)	(315 162)	IDP: Co-Ordinator	60 000	(145 452)	(85 452)
5 500	(1 222 868)	(1 217 368)	Information Technology	-	(1 318 194)	(1 318 194)
8 194	(63 461)	(55 267)	Irrigation Water	7 953	(56 967)	(49 014)
10 588	(113 336)	(102 748)	Kwa-Mand Comm Hall	4 370	(115 380)	(111 010)
-	(666 141)	(666 141)	Kwa-Mand Office	-	(622 110)	(622 110)
1 392 275	(1 382 145)	10 130	Library Church Street	1 276 937	(1 286 263)	(9 326)
1 001 498	(1 030 523)	(29 025)	Library Mimosa	1 290 902	(1 079 797)	211 105
154 410	(97 945)	56 465	Library Nelspoort	119 393	(122 321)	(2 928)
51 621	(83 090)	(31 469)	Main Road	23 377	(33 313)	(9 936)
1 447	(1 556 227)	(1 554 780)	Mechanical Workshop	1 316	(1 644 254)	(1 642 938)
455 543	(3 612 399)	(3 156 856)	Municipal Buildings	296 273	(4 526 548)	(4 230 275)
345 322	(2 111 354)	(1 766 032)	Municipal Manager	164 290	(1 892 231)	(1 727 941)
19 795 572	-	19 795 572	Municipal Rates	21 272 839	-	21 272 839
2 683	(18 848)	(16 165)	Pound	2 198	(23 327)	(21 129)
420	-	420	Private Work	420	-	420
366 834	(6 583 345)	(6 216 511)	Recreation Sites	978 450	(6 655 300)	(5 676 850)
5 644 655	(5 431 906)	212 749	Refuse Removal	6 068 813	(7 221 348)	(1 152 535)
11 883 012	(2 587 053)	9 295 959	Reticulation: H Volt	3 426 772	(3 261 491)	165 281
49 108 731	(40 273 768)	8 834 963	Reticulation: L Volt	59 694 224	(46 353 608)	13 340 616
15 228	(111 458)	(96 230)	Rustdene Comm Hall	12 253	(138 080)	(125 827)
-	(334 480)	(334 480)	Rustdene Office	-	(412 261)	(412 261)
(10 179)	-	(10 179)	S/E 1 Rustdene	112	-	112
4 469	(4 474)	(5)	S/E 4 Rustdene	219 217	(219 218)	(1)
30 692	(30 691)	1	S/E 8 Rustdene	30 594	(30 594)	-
14 312	(14 312)	-	S/E 9 Rustdene	14 193	(14 193)	-
208 501	(451 616)	(243 115)	Service Connections	126 452	(554 382)	(427 930)
-	(3 233 669)	(3 233 669)	Sewerage Farm	459 938	(3 870 402)	(3 410 464)
17 068 263	(1 506 241)	15 562 022	Sewerage System	16 632 114	(1 893 074)	14 739 040
-	(1 681 351)	(1 681 351)	Stores	-	(2 017 646)	(2 017 646)
-	(1 175 188)	(1 175 188)	Street Cleansing	-	(1 286 896)	(1 286 896)
832 027	(4 122 504)	(3 290 477)	Street Lightening	3 472 277	(4 451 263)	(978 986)
27 699 500	(12 523 808)	15 175 692	Street works & Storm Water	7 328 893	(13 005 041)	(5 676 148)
77 115	(289 615)	(212 500)	Swimming Pool Birds	45 147	(350 027)	(304 880)
66 768	(265 898)	(199 130)	Swimming Pool Nieuvelid	37 543	(323 004)	(285 461)
-	(230 759)	(230 759)	Tourism	-	(300 163)	(300 163)
20 295	(59 302)	(39 007)	Town Commonage	14 464	(11 301)	3 163
-	(728 168)	(728 168)	Traffic Court	-	(800 692)	(800 692)
-	(40 867)	(40 867)	Traffic Lights	-	(70 556)	(70 556)
75 318	(153 620)	(78 302)	Vacuum Services	63 995	(168 571)	(104 576)
507 507	(348 254)	159 253	Vehicle Registration	575 394	(360 551)	214 843
174 065	(355 644)	(181 579)	Vehicle Testing Station	168 706	(457 849)	(289 143)
1 162 745	(9 121 512)	(7 958 767)	Water Purification	26 581	(10 069 126)	(10 042 545)
14 117 735	(5 591 044)	8 526 691	Water Reticulation	19 655 374	(5 923 511)	13 731 863
-	(383 441)	(383 441)	Internal Audit	211 789	(583 707)	(371 918)
171 504	(468 122)	(296 618)	Labour Relations	54 758	(646 553)	(591 795)
120 297	(1 355 857)	(1 235 560)	Murraysburg Administration	2 390 875	(1 077 722)	1 313 153
3 067 757	(3 519 602)	(451 845)	Murraysburg Electricity	3 220 189	(3 804 831)	(584 642)
372 332	(373 094)	(762)	Murraysburg Library	494 955	(480 424)	14 531
1 849 955	-	1 849 955	Murraysburg Municipal Rates	1 519 391	-	1 519 391
-	(28 854)	(28 854)	Murraysburg Recreation Site	199 643	(273 001)	(73 358)
-	-	-	Murraysburg Sewerage	-	-	-
1 241 976	(1 393 352)	(151 376)	Murraysburg Refuse Removal	1 373 674	(1 904 797)	(531 123)
-	(618 863)	(618 863)	Murraysburg Street Works & Storm Water	219 901	(976 491)	(756 590)
3 388	(42 525)	(39 137)	Murraysburg Swimming Pool	5 365	(77 761)	(72 396)
220 466	(1 081 883)	(861 417)	Murraysburg Water Works	1 469 838	(1 234 443)	235 395
225 163	(555 962)	(330 799)	Thusong Centre	224 704	(419 473)	(194 769)
9 789	(61 817)	(52 028)	Wheely Wagon Kwa Mandlenkosi	24 022	(131 695)	(107 673)
218 000	(220 900)	(2 900)	Murraysburg - Thusong Centre	45 409	(286 826)	(241 417)
241 757 280	(207 557 021)	34 200 259	Sub Total	259 126 518	(263 592 391)	(4 465 873)
-	9 790 378	9 790 378	Less Inter-Departmental Charges	-	9 358 426	9 358 426
241 757 280	(197 766 643)	43 990 637	Total	259 126 518	(254 233 965)	4 892 553

APPENDIX C - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
39 556 094	(14 165 531)	25 390 563	Executive & Council	24 511 903	(16 747 893)	7 764 010
25 997 922	(15 367 756)	10 630 166	Budget & Treasury	31 317 339	(14 241 807)	17 075 532
497 109	(11 733 453)	(11 236 344)	Corporate Services	310 737	(24 099 817)	(23 789 080)
297 103	(4 330 227)	(4 033 124)	Planning & Development	385 741	(4 355 395)	(3 969 654)
4 053 446	(6 685 552)	(2 632 106)	Community & Social Services	4 160 576	(7 697 672)	(3 537 096)
15 294 076	(16 032 659)	(738 583)	Housing	28 859 462	(29 740 897)	(881 435)
12 646 085	(13 372 602)	(726 517)	Public Safety	40 800 155	(39 604 962)	1 195 193
514 105	(7 210 237)	(6 696 132)	Sport & Recreation	1 266 148	(7 679 093)	(6 412 945)
6 886 631	(8 000 446)	(1 113 815)	Waste Management	7 442 487	(10 413 041)	(2 970 554)
17 143 581	(4 893 530)	12 250 051	Waste Water Management	17 156 047	(5 932 047)	11 224 000
28 434 140	(15 485 886)	12 948 254	Road Transport	8 317 587	(16 477 499)	(8 159 912)
15 723 669	(21 875 563)	(6 151 894)	Water	21 270 759	(20 127 211)	1 143 548
74 713 319	(68 403 579)	6 309 740	Electricity	73 327 577	(66 475 057)	6 852 520
241 757 280	(207 557 021)	34 200 259	Sub Total	259 126 518	(263 592 391)	(4 465 873)
-	9 790 378	9 790 378	Less Inter-Departmental Charges	-	9 358 426	9 358 426
241 757 280	(197 766 643)	43 990 637	Total	259 126 518	(254 233 965)	4 892 553

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2013	Correction of error	Restated balance 1 July 2013	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest Transferred to Revenue	VAT Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Refund to Donor	Transfer out	Balance 30 June 2014
UNSPENT/UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R	R	R	R	R	R	R	R	R	R
NATIONAL													
Finance Management Restruct.	(95 075)	-	(95 075)	1 090 638	1 450 000	-	-	72 634	1 549 058	3 428 772	-	-	(256 767)
132/22KV Substation & 20 MVA Transformer	-	-	-	553 013	8 000 000	-	-	479 748	2 359 243	-	-	553 013	4 821 105
Electrification of Central Karoo	(786 457)	-	(786 457)	-	4 000 000	-	-	326 675	857 071	-	-	1 080 638	-
MSIG 2011/2012	-	-	-	-	880 000	-	-	32 929	1 093 378	-	-	-	(95 942)
Expanded Public Works Programme	(14 377)	-	(14 377)	-	1 000 000	11 813	-	-	-	-	-	-	178 965
Exploration Aquifers	209 288	-	209 288	-	3 000 000	10 738	10 738	3 721	2 501 271	26 581	-	-	-
Energy efficiency demand (EEDMS)	-	-	-	-	450 000	-	150 000	348 729	450 000	-	-	-	-
Opening launch 132 Kv Substation	-	-	-	-	-	-	-	-	-	-	-	-	-
PROVINCIAL													
Community Development Workers (CDWs)	8 820	-	8 820	-	207 800	998	-	-	301 552	-	-	-	(94 034)
Consumer Housing Education Program	110 629	-	110 629	-	-	4 255	-	-	14 304	-	-	-	100 580
Project Provincial Funds	29 719	-	29 719	-	-	1 176	-	-	-	-	-	-	30 885
Project Preparation Grant Planning	147 832	-	147 832	-	-	9 747	-	-	-	-	-	-	157 579
Public Transport Infrastructure	115 628	-	115 628	-	-	2 467	-	1 889	-	13 482	-	-	102 724
Refuse Recycling Project	(60 162)	60 162	-	-	-	-	-	-	-	-	-	-	-
Rezoning Scheme Regulations	13 095	-	13 095	-	-	518	-	-	-	-	-	-	13 613
Sanitation Master Plan	9 902	-	9 902	-	-	392	-	-	-	-	-	-	10 294
Sanitation Potential Nelspoort	130 882	-	130 882	-	-	5 189	-	8 400	80 000	-	-	-	67 431
Tourisme Tokens	7 246	-	7 246	-	-	287	-	-	-	-	-	-	7 533
Upgrading electricity network Nelspoort	134 709	-	134 709	-	-	4 874	-	-	3 034 583	149 105	-	-	139 583
Public Library Services	116 425	-	116 425	-	3 393 000	46 896	-	-	-	-	-	-	372 653
Water Masterplan	12 427	-	12 427	-	-	493	-	-	-	-	-	-	12 920
Soup Kitchens	6 648	-	6 648	-	-	734	-	-	-	-	-	-	7 362
Management Support Grant	483 908	-	483 908	-	800 000	27 574	-	48 631	312 861	-	-	-	949 191
Provision Of Services Nelspoort (23)	817 919	-	817 919	-	-	41 921	6 846	11 871	358 395	-	482 929	-	4 415
240 Irp Dwellings Asia	4 923 009	-	4 923 009	-	2 712 243	82 742	-	31 500	7 682 080	-	-	-	357
Upgrading sport facilities Murraysburg	200 000	-	200 000	-	-	-	-	-	199 643	-	-	-	13 010
S3 & S4 Services	12 437	-	12 437	-	-	573	-	-	-	-	-	-	80 630
55 Consolidation Scheme Kwa Mandlenkosi	11 409	-	11 409	-	551 869	6 252	-	-	518 920	-	-	-	107 165
Xhoxha dwellings	2 525	-	2 525	-	1 196 239	6 656	-	-	1 098 255	-	-	-	-
274 IRDP Dwellings	-	-	-	-	19 136 480	-	-	-	19 136 480	-	-	-	-
Mandela Memorial Service	-	-	-	-	100 000	-	-	-	100 000	-	-	-	-
Compliance module	-	-	-	-	57 100	-	-	-	57 100	-	-	-	-

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2013	Correction of error	Restated balance 1 July 2013	Transfer in	Contributions during the year	Interest on investments (Only if a condition)	Interest Transferred to Revenue	VAT Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Refund to Donor	Transfer out	Balance 30 June 2014
MIG													
PMU - Project Management Unit	-	-	-	-	314 781	-	-	325 773	230 514	2 326 947	-	84 267	650 293
Improve surface of gravel roads	-	-	-	155 021	3 147 952	-	-	1 264	-	9 031	-	441 555	84 999
Retention Dams	-	-	-	-	451 850	-	-	88 605	-	644 569	-	-	18 290
Rustdene Sport Stadium	-	-	-	100 000	718 173	-	-	5 792	-	41 370	-	-	351 830
New Refuse Transfer Station	-	-	-	-	65 452	-	-	30 785	-	219 901	-	-	318 041
Rehabilitation Roads: Murraysburg	-	-	-	-	250 657	-	-	106 406	-	723 233	-	-	12 337
Upgrading Water Supply: Murraysburg	-	-	-	328 980	854 488	-	-	67 748	-	520 728	-	-	202 336
Upgrade/extension Of Water Sup: Murraysburg	-	-	-	198 809	709 708	-	-	42 258	-	301 844	-	-	(62 825)
Reserve Reduction Water (prv)	-	-	-	100 000	255 440	-	-	337 874	-	2 413 363	-	-	(102 751)
High mast lights Greater Beaufort West	-	-	-	2 190 789	700 000	-	-	-	-	1 200 864	-	-	1 257 540
Main water pipeline Rustdene	-	-	-	-	110 803	-	-	-	-	3 770 182	-	-	575 000
Nelspoort Bulk water	-	-	-	612 423	653 811	-	-	527 811	-	4 076 205	-	-	39 940
External sewerage line Butekant street	-	-	-	-	5 555 533	-	-	570 670	-	100 000	-	-	32 743
Rehab. Oxidation Ponds: Murraysburg	-	-	-	222 594	4 999 262	-	-	14 000	-	359 938	-	-	526 316
Rehab. Oxidation Ponds: Nelspoort	-	-	-	-	114 000	-	-	50 391	-	497 631	-	-	34 811
Flood Lighting BWest Rugby field	-	-	-	100 269	450 270	-	-	69 685	-	526 316	-	-	32 944
Flood Lighting Nelspoort Sport field	-	-	-	134 810	500 000	-	-	73 683	-	-	-	-	8 365
LOCAL ECONOMIC DEVELOPMENT													
Arts & Crafts	31 341	-	31 341	-	-	1 603	-	-	-	-	-	-	(58 059)
CKDM	6 047	-	8 047	-	-	318	-	-	-	-	-	-	136 249
Website	54 758	-	54 758	-	-	-	-	-	54 758	-	-	-	-
Shared Services	39 531	-	39 531	-	-	-	-	-	399 892	-	-	-	-
Expanded Public Works Programme	(16 498)	-	(16 498)	16 498	318 800	-	-	-	-	-	-	-	-
Expanded Public Works Programme	136 249	-	136 249	-	-	-	-	-	-	-	-	-	-
Multi Purpose Centre - Murraysburg	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6 801 574	60 162	6 861 736	5 789 824	67 626 921	248 195	167 384	3 848 604	42 349 258	21 348 285	482 929	5 864 934	6 455 185
UNSPENT/UNPAID CONDITIONAL PUBLIC CONTRIBUTION													
PRIVAAT													
Existing Houses Nelspoort	-	-	-	-	2 502	-	-	-	2 502	-	-	-	-
Merweville Library Alteration	-	-	-	-	134 634	4 418	-	-	-	-	-	-	139 052
Total	-	-	-	-	137 136	4 418	-	-	2 502	-	-	-	139 052
Total Receipts	6 801 574	60 162	6 861 736	5 789 824	67 763 957	252 613	167 384	3 848 604	42 351 760	21 348 285	482 929	5 864 934	6 604 237